

## Business in Germany?

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Girozentralen  
Sparkassen

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No. 26,703

# FINANCIAL TIMES

Friday June 27 1975

\*\*10p



Robert Riley Ltd., Rochdale, Tel: 44551

## NEWS SUMMARY

### GENERAL

## Seretse Khama snubs Amin

Botswana became the first Black African state to express disquiet with General Amin and did so in a manner that did not have repercussions for AU if others follow.

President Seretse Khama announced his country would not be part in the annual OAU meetings due to be held in Kampala in July. This was because of Amin's "apparent disregard for the sanctity of life." This clearly refers to the case of British lecturer Dennis Hills, being a Uganda firing squad.

London, the Foreign Office denied Amin's latest claim that his is a spy.

It is customary for the Head of State of the OAU summit's 1st country to become President of the Organisation.

Reuter says Kenya Police yesterday inspected five Soviet-made tank transports carrying mounted vehicles fitted with face to air missiles on their way from Mombasa to Uganda.

Page 5

### Lord Lucan: a fresh trail

Two senior detectives hunting Lord Lucan for murder are convinced he is alive and living in France. They reached this conclusion after hotel staff in herbergue recognised the missing peer from a photograph Alice showed them.

Police believe he has visited the Grand Hotel there several times in recent months. The search has now been extended across North-west France.

### Beira patrol off

The Beira patrol, probably the Royal Navy's most daunting task in recent years, has been ended following the independence of Mozambique. For nine years, RN ships have taken turns to patrol up and down the Mozambique channel to prevent oil reaching the Rhodesians through Beira port.

Page 5

### Labour men for Europe

A careful balance between pro- and anti- and Left and Right has been struck by Labour in its list of 12 MPs and six peers for its delegation to the European Parliament. Leader will be either Mr. Michael Stewart or Sir Geoffrey de Freitas.

MP 'gag' ruling

A Speaker's ruling is expected today on whether statements by Mr. Arthur Scargill, president of the Yorkshire area of the NUM, calling in 'the line' constitutes a breach of Parliamentary privilege. The issue is based on a union resolution saying none of the MPs should speak against union policy.

Editorial comment, Page 20; Parliament, Page 10

### People, places

The man whose rape case was withdrawn from Mr. Justice Christies, was Humphreys on Monday, was exonerated yesterday. In Cambridge, van driver Peter Cook was admitted in custody for trial at Norwich on rape charges.

an aged 88 is helping police find another aged 73 who was killed and another aged 75 was injured in a blackheath old peoples' home, even miners were killed and nine others trapped in a coal seam deep down a goldmine in Johannesburg.

Mark Bonham Carter has been appointed a governor and vice-chairman of the BBC. Page 9

in a rest form on a sizzling day, champion Jimmy Connors disposed of Britain's No. 1, Mark Cox, in straight sets at Wimbleton. Page 13

Lightning led referee Sergio Sequia to end off 18 players in friendly Santiago soccer international and Chile the game ended with Chile leading Uruguay 3-1.

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### CHIEF PRICE CHANGES YESTERDAY

Prices in pence unless otherwise indicated

RISSES	144 - 6
Burtonwood Brewery	144 - 6
Cavenham	144 - 7
Commercial Union	149 - 5
Courtaulds	149 - 5
Dunthorpe	149 - 4
Fisons	149 - 5
GEC	117 - 5
Globo	127 - 13
GKA	125 - 7
Hawker Siddeley	250 - 10
ICI	258 - 1
ICV	258 - 1
Imperial	258 - 1
Land Securities	185 - 6
Land Land	63 - 5
Lloyd's Bank	218 - 15
Lucas Inds.	97 - 5
Lyon (J.) - A	152 - 8
MEPC	106 - 9
Metal Box	236 - 8
Nat. Westminster Bk.	216 - 14
Pearl	178 - 14
Royal Inds.	14 - 14
Rowthorn	224 - 9
Ross	286 - 12
Roots	204 - 10
Ultramar	194 - 8
FALLS	
Asen. Cement	134 - 7
Asen. Newspapers	287 - 8
Betham	301 - 9
Boris	204 - 10
Buses and Coaches	1517

### BUSINESS

## Weak £ pushes equities down 9.9

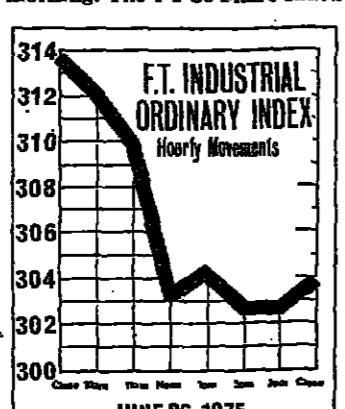
## Mrs. Gandhi jails opposition leaders in plot allegations

BY K. K. SHARMA, NEW DELHI CORRESPONDENT

In a dramatic and totally unexpected move, Mrs. Indira Gandhi yesterday clamped a state of emergency on India and put nearly 700 prominent Opposition leaders in jail after declaring there was a plot to oust her and create instability in the country.

There has been a technical situation in the Indian capital since the war over Bangladesh in 1971, so apparently Mrs. Gandhi's act was meant to heighten the urgency of the steps that she has initiated and to make them appear credible.

The emergency, proclaimed by President Fakhruddin Ali Ahmed, an official spokesman said that a total of 676 Opposition and



closed a little above the day's low at 303.8, down 9.9, and a fall of 61.5 points in the past 15 trading days.

• GILTS turned down sharply again on sterling's weakness, with losses of up to £1. The Government Securities Index closed 0.27 lower at 58.67.

• STERLING fell 135 points to \$2.2430; its weighted depreciation was 27.1 (26.8) per cent, a new low. Dollar's fall narrowed to 6.35 (6.40) per cent.

• GOLD fell \$1 to \$164.1.

• WALL STREET closed up 1.41 at 874.14 on further evidence from the composite index of leading U.S. indicator. The U.S. recession had passed its nadir. Page 4

• SUBSIDIES on essential goods, an employment premium and a surcharge on personal income tax are the main elements of the Irish Republic's second Budget this year. Second Page

• BSC manual workers settled last night for a 24 per cent. pay rise. But the deal will run for only seven months. Back Page

• BRITISH GAS CORPORATION has been granted two loans totalling £23.2m. by the European Investment Bank to finance a pipeline from the Frigg North Sea field.

• LEYLAND offers near equality

• BRITISH LEYLAND offers employees almost equal control in the reorganised corporation, but retains management's rights to the final decision in the event of no agreement by a joint board. Back Page

• GOVERNOR of the Bank of England warns that the U.K. besides curbing inflation—must achieve a basic redirection of economic activity. Back Page

• TRADING PROFITS of 408 industrial companies in the latest Financial Times survey rose by 49 per cent. compared with a previous rise of 9.7 per cent. Page 41

• COMPANIES

• ATV Corporation pre-tax profits fell more than £1.5m. to £5.75m. for the year to end-March. The dividend is cut from 5.125p to 3.9p and Lex.

• RACAL ELECTRONICS taxable profits for the year ended March 31 reached £95.6m. compared with a forecast of more than £8m., and last year's £6.25m. Page 31 and Lex

• TOYO KOGYO, Japan's third biggest car maker, reports a less than £16.8m. for the six months ended April. The second half should show a definite improvement. Page 34

## Shipyard nationalisation has top priority—Short

BY JOHN BOURNE AND CHRISTIAN TYLER

IN THE FACE of angry reactions from trade union leaders to suggestions that the nationalisation of the shipbuilding and aircraft industries would be dropped from the present session of Parliament, Mr. Edward Short, Leader of the House, assured Labour MPs yesterday that the Government would proceed with the Bill "as a top priority."

It is understood that the Government has delayed after all to try to have the second reading of the Bill this session, even if it means squeezing it into the short "overspill" in the autumn. Earlier, Mr. Eric Varley, Industry Secretary, contacted the Confederation of Shipbuilding and Engineering Unions, which is holding its annual conference in Hastings, to assure Mr. Jack Service, general secretary, that the reports of delay did not emanate from his department.

Mr. Varley said he would meet the shipbuilding committee of the Confederation next Tuesday at the Department in London, to explain the position. The message was relayed to delegates to the conference, who were in the middle of debates about nationalisation.

The Confederation carried a motion from the Boilermakers Amalgamation insisting on full discussions with the trade unions at all levels over the future of the two industries.

### Incensed

An ASTMS amendment framed some time ago—demanding that the legislation be pressed through Parliament "as a matter of great urgency"—was similarly carried.

Mr. Danny McGarvey, Boilermakers' president, was at the news that the moderate Manifesto Group of Labour MPs was to plead with the Minister because the delay would put employers in difficulty.

He said of Mr. Dickson Mabon, chairman of the group, and his

colleagues: "The sooner these parasites get off our backs, the better for the Labour movement."

Our Industrial Staff writes:

The British aerospace and shipbuilding industries gave a warning yesterday that any decision to delay nationalisation might create a vacuum in which confidence would evaporate.

The British aerospace industry as a whole remains opposed to the principle of nationalisation.

But any delay would be another blow to the confidence of customers.

British shipbuilders agree with the view of the shipbuilding group of Labour MPs that Mr. Varley should establish the Government-appointed organizing committee immediately to advise and supervise the shipbuilding and aircraft industries during the period before nationalisation.

There is total uncertainty in the shipbuilding industry about whether to go ahead with or to postpone investment projects.

There is also reluctance by contractors and other sources of capital to invest in British shipbuilding until a clear statement of Government intent is known about its plans.

Editorial Comment, Page 20

## Pound drops again to 27.1%

By William Keegan, Economic Correspondent

THE POUND dropped another 0.3 per cent. in the foreign exchange market yesterday to close at a new all-time low of 27.1 per cent. below December 1971 levels.

Selling of sterling was heavy in the morning, prompting senior London foreign exchange experts to comment that the market was almost entirely one-way at one stage.

After Press suggestions that the Bank of England wanted the pound to fall to 22.18 and intro-

duce an import controls package,

Delivering his welcome to the TUC's six "guiding principles" during question time in the Commons, Mr. Wilson stressed that the Government now had something "very important on which to build."

But it would, he said, want to discuss the plan and would have to push on with the work with urgency. Mr. Wilson also made it clear that the Cabinet would have to ensure that the final counter-inflation package was in line with one another, on the basis of the social contract.

One alternative solution was to "cut public expenditure to the bone," she said, adding that there would have to be a cut-back in public expenditure "because it has been growing terrifyingly fast and I suspect there's room for some econo-

Parliament. Page 10

mies." But to solve inflation entirely by reducing public expenditure "would be to solve it by axing our favourite child, the compassionate State." What Britain needed now was a couple of years of certain, steady, deliberate use of monetarist solution to inflation. He also pointed out that the Commons had this week rejected a Liberal MP's Bill calling for statutory incomes policies. The vast majority of the House recognises that criminal sanctions in these matters have not worked in the past. No one has answered the question of what happens when people are brought before the courts in respect of wage settlements.

Later, Mr. Edward Short, leader of the Commons, repeated the promise that the Government's anti-inflation proposals would be made before the Commons rose for the summer recess at the end of next month. He implied that there would also be time for a full-scale debate on the proposals.

Privately some senior Ministers are describing the TUC's plan as a very remarkable advance and a real shift of attitude on anything the unions have produced before. But they emphasise that it would need to be tightened up to make it workable and seem to be workable. They concede that something must be done to meet the TUC's demand for certain price controls, and last night Mr. Jones stressed that a price freeze might be needed.

But Ministers argue that

should not exceed the flat rate figure eventually agreed.

He also mentioned £40-a-week as the basic for working out the flat rate figure, but did not develop the calculation. A price target of 15 per cent. however, would yield £6 a week as the flat rate basis which is lower than most union leaders have been envisaging but is roughly in line with the Government's hopes for a wage target. At 15 per cent. however, it is too high on prices.

Page 10

## TIME AND TIME AGAIN

As a golfer, wouldn't it be great to always make a putt, because you have not only perfected your techniques and equipment, but also know what lies ahead. You know what you have to correct for and how to correct for it. Then you'd know just what to do every time, whatever the problems. In fact, you could practically 'call your shots in advance', time and time again.

Timken Company research and development techniques are now so sophisticated, that our engineers can choose the right bearing to satisfy demands for optimum bearing performance, in fact their shots in advance. Working closely with the customer, they can determine lubricant viscosity and bearing setting under operating conditions, and the angle of deflection between cup and cone under load. Taking these factors, together, plus the load and speed, we can come up with a weighted average life for the bearing.

Applying critical selection techniques, we can now choose exactly the right bearing to satisfy demands for optimum bearing performance—in fact 'call our shots in advance' time and time again!

R&D is just one aspect of the Total Package you get, when you buy Timken bearings.

Editorial Comment, Page 20

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LOMBARD

# The intellectual way to do it

BY C. GORDON TETHER

"THE CARDINAL problems of taught us. One is that cost-push our British society," said Mr. Peter Tappin, MP, addressing a conference on the "Crisis of Authority" earlier this week. "are primarily intellectual problems." And he went on to point out that the problems of investment and exports, two of the main ingredients of Britain's economic unsoundness, would be quickly overcome if we took the trouble to find out what their components were.

He is, of course, right. Although countless millions of words have been written and spoken about the inadequacy of Britain's investment performance, there has never been a proper scientific study of what prompts investment decisions. As for exports, almost no attempt has been made until very recently to question the long-accepted assumption that, so long as the £ is allowed to fall far enough to keep our prices competitive, we would eventually get all the custom needed to balance our payments.

Again although we have repeatedly seen how seriously our effective room for manoeuvre is apt to be reduced by encouraging vast quantities of hot money to pile up in this country, no attempt has ever been made to carry out a realistic cost-benefit analysis of the City's involvement in the international banker business.

## Not this time

When, then, will we ever learn? Not this time round—to judge, that is, by the character of mainstream comment on what should be done about our plunge into the biggest economic crisis of them all. For nothing could be less intellectual in the circumstances than its tendency to take it for granted that, to get anywhere near succeeding, the required rehabilitation drive must be spear-headed by a stringent programme embracing everything from public sector capital outlays to personal consumption.

We obviously have a serious cost-push inflation problem arising from the unfeigned furnishing of free collective bargaining on the heights. But notwithstanding the heights of additional spending power thermally created by the upsurge in incomes, there are no indications that we are threatened by that other inflationary evil—demand-pull.

And there are two things of great relevance to this picture of payments threat to the £ in the that our experiences during the interim by introducing import past ten years should have controls.

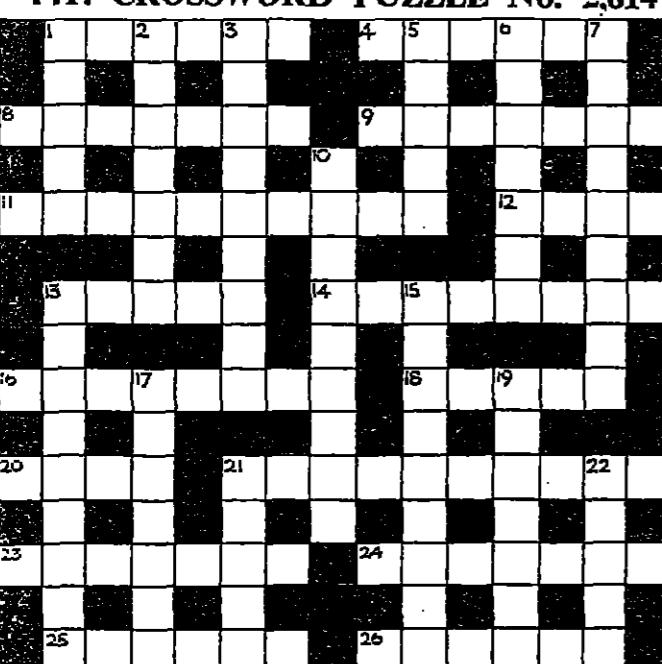
## TV Radio

† Indicates programme in black and white.

### BBC 1

1.05 p.m. *Cymas*, 1.35 In the Town, 1.50 News, 1.55 Wimbleton Lawn Tennis Championships. 2.12 Regional News (except London), 4.25 Play School, 4.50 *Devlin*, 5.10 Young Film Makers, 5.45 News, 6.00 Nationwide, 6.15 Wimbleton Lawn Tennis, 7.15 *The Wonderful World of Disney*, 8.00 It's a Knock-out, 9.00 News, 9.25 *I Confess*, starring Montgomery Clift, 10.55 *The Dimbleby Talk-in*, 11.30 Regional News.

### F.T. CROSSWORD PUZZLE No. 2,814



**SOLUTION TO PUZZLE No. 2,812**

**RED COMPLEXION**  
E U A N M G O E  
SACKS GOSPEL  
T A E A U O W U  
A P R I L S H E A R L I N G  
M E S I T T E  
P R O V E C T E D A C H E S  
N X E R N S  
D R I F T S P E C T A T O R  
I S E S A D O  
B R A I N P A N S G A N N Y  
A T S S Z D A D A  
S P I R I T O S O C H I L L  
I O V I W T N T  
G O N D E S C I E N D I N G L Y

## RACING

BY DOMINIC WIGAN

**Polly Peachum pleases**

TWELVE MONTHS ago Mick 6 lbs better terms than in the of 13 behind Corfeleaf and Easterly sent out Dutch Gold Amoco Handicap, and White Wade at Yarmouth on to land the valuable Gosforth Hope, who showed signs of a her second and last appearance. Park Cup at Newcastle and he returns to his best form when must have high hopes that keeping on gamely to take third another of his sprinters, the place behind Import over six miles-improved Polly Peachum, furlongs at Lingfield early this will be capable of following up month.

in the corresponding event Just under an hour before

### NEWCASTLE

6.45 Henriette Rosamer

7.35 Polly Peachum\*

8.05 Rustings

### LINTFIELD

2.00 Disputed Gift

2.30 Hayloft\*\*

3.00 French Princess

3.30 Curtains\*

4.00 Limpope

4.30 Fastpad

### DONCASTER

6.45 Self Satisfied

8.05 Bottom

8.25 Gambela

9.05 Skip

Polly Peachum, an attractive bay daughter of Singing Strand, put up a highly satisfactory performance on her reappearance this term, when a close fourth in Yonze St. Clare in the highly competitive Spring Cup at York in the middle of May.

On her only subsequent appearance she showed the benefit of that York outing by taking the £4,000 Amoco Handicap 10 days later.

Sent into the lead one and a half furlongs from home in the Amoco Handicap, Polly Peachum, ridden by Edward Hinde in

preference to four of the other runners, quickly forged clear to pass the post one and a half lengths ahead of Roman Warrior, which could easily have been doubled had Hinde so wished.

Although Jack Orms頓's Jukebox filly must be respected on her recent third-place effort in this valuable prize, I hope to see what justification there can be for making major cuts of this kind as a crisis preference.

There is a self-evident need to make an all-out onslaught on the cost-push problem in the only way that it can be effectively tackled in a modern context—with an incomes and prices policy. And it is something that this is at last coming to be recognised.

The story of the past year, with incomes rising at a record pace even though recession tendencies were becoming sufficiently marked to set the unemployment figures soaring hardly suggests that taking action to put more people out of work can be expected to operate as an alternative or supplementary deterrent to wage excesses.

## No help

There may well be a case on long-term grounds for slowing down the growth of public sector expenditure in both the current and capital account fields. But since this wouldn't do much to help to combat cost-push inflation, it is hard to see what justification there can be for making major cuts of this kind as a crisis preference.

There is no evidence that, with industrial capacity in this country far from fully extended, a programme aimed at cutting living standards would basically improve the situation on the home front or in the balance of payments field. And it could make matters worse. For one thing, a further slowdown in economic activity could, by both materially increasing Government unemployment relief and precipitating a further drop in the revenue inflow, produce a deterioration in the budgetary situation.

We cannot, of course, provide intellectual answers to our problems in a hurry. But clear evidence that we had at last recognised the need to look for them would do far more to convince the world that we were on the road to recovery than any package of traditional corrections—especially if we demonstrated that we were taking resolute action to contain the great relevance to this picture of payments threat to the £ in the that our experiences during the interim by introducing import past ten years should have controls.

Phillips believes the decision to introduce to the U.K. a buyers' premium, which is common on the Continent, could affect the dominance of London as an international art market. It expects that the cut in its commission on objects sold, which has been a basic 12% per cent. will hit turnover in the short-term, but eventually the better prices achieved at Phillips (because buyers will not have to hand over 10 per cent. to the saleroom) will soon increase the lots handled and the saleroom's for sellers to 10 per cent.

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Phillips claims that already some major items are coming its way and it will in fact reduce its

commission on very valuable lots to less than 10 per cent. The heavy George III soup tureen, which made £55,500, was sold to a Glendinning, the coin auctioneer, and in sales of stamps, which were charged 15 per cent. commission. Phillips has been better able to maintain its profits than Sotheby's and Christie's in the past year and expects to hold 490 sales in London in 1975.

At Sotheby's yesterday there was another very successful sale

of silver, which realised £18,946. Some 98 lots, the property of the Duke of Kent, were sold for £116,081, including a pair of William III silver gilt wine bottles by Jonathan Bostock, 1699, which were bought by Howe of Edinburgh for £62,000. It is agreeing with them by reducing its commission for sellers to 10 per cent.

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## WORLD TRADE NEWS

## U.K. EXPORT CREDIT POLICY UNDER FIRE

## World-wide control vital to check mounting cost

BY GEOFFREY OWEN

HAS THE granting of export credit become a form of economic nonsense or even economic suicide? That question was posed at a Chatham House conference this week by Mr. Robert Fell, formerly head of the Export Credits Guarantee Dept. and now chief executive of the Stock Exchange. Mr. Fell stressed the extent to which export credit had become the servant of industrial and political objectives, with the cost to the taxpayer and the country almost forgotten.

Finance ministers around the world seem powerless to control the appetite of their Industry and Trade Departments," he declared. Referring to political pressures, Mr. Fell said he had found over the years two myths among British Ministers.

"The first is that there is a bonanza for British industry in Russia. The second is that there is a bonanza for British industry in Latin America. Some Ministers have been able to support both myths at the same time."

The result of those exaggerated hopes stems partly from political considerations. There has been an escalation of credit terms, with the buyer able to play off one country against the other. The desire to give special terms to Russia caused the "Gentleman's Agreement" on export credit to falter at its most bone-picking point.

Mr. Fell questioned whether the mechanics of export credit had de-

veloped. The U.S. for instance, had relied on length of credit and suggested the possibility of a recognised Export Bank with while keeping its interest rate more nearly in line with the market.

The French had had a "blockage" about lengths of credit but had been highly flexible on interest rates and other charges.

The Americans could appear to be tough on the question of credit to support arms sales because they had a large military aid programme.

The U.K. had a generous economic aid programme, while other countries preferred a mixture of economic aid and commercial credit.

In the end, Mr. Fell argued, "it is only the willingness to give up a certain amount of national sovereignty which will bring about a real control."

One helpful step, in his view, would be the development of European financing arrangements to handle projects which were too large for a single country to finance.

In any case the best hope for progress lay in the small group of industrial countries within the Organisation of Economic Co-operation and Development that had been trying to reach agreement on the subject for two years.

It was essential, he decided, that the true cost of export credit was fully understood in these countries, and that they did not start any new national device while international talks proceeded.

There was now a growing recognition among most countries that export credit had reached a dangerous stage in the balance of payments of the donor country and partly from the point of view of the creditor country. The desire to give special terms to Russia caused the "Gentleman's Agreement" on export credit to falter at its most bone-picking point.

One obstacle to disarmament had been the difference in the mechanics of export credit way national systems had de-

## Australia-Philippines pact indicates recognition of ASEAN bloc

BY OUR AUSTRALIA CORRESPONDENT

THE DEVELOPMENT of the Association of South East Asian Nations as a trading bloc has been given formal recognition by Australia in a new trade agreement with the Philippines.

Mr. Frank Crean, Australian Minister for Overseas Trade, announcing the agreement today, said the ASEAN provision was a reflection of Australia's general support for economic and social objectives.

The Australia-Philippines trade agreement supports the principle of long-term contracts and establishes, for the first time, a joint commission of the two sides to review bilateral trade at annual meetings.

CANTERBURY, June 26.

As a result of hard bargaining by the Philippine negotiators, a special protocol was published with the agreement pointing out the difference in levels of economic development between the two countries and the heavy imbalance of trade in Australia's favour.

It includes an assurance of consultation and "fuller consideration" of the Philippines' position when any changes are being considered in Australia's system of tariff preference for certain goods and commodities.

In addition, there is a formal statement from Australia that the Government's position is "to move away from according to Japanese beef import market

preferential tariff treatment on a bilateral basis," except in cases like New Zealand and Papua New Guinea.

"Further," says the protocol, "it was not anticipated that where margins of preference had been removed or reduced Australia would replace or increase such margins of preference except in cases of domestic economic policy needs."

On his return to-day from Europe and Asia, Mr. Crean acknowledged that it would be "unrealistic" to expect an early relaxation of EEC controls on beef imports, but he was confident that reopening of the Japanese beef import market

## Japan's overseas aid halved last year

BY CHARLES SMITH, FAR EAST EDITOR

THE VALUE of Japan's overseas aid in 1974 was almost halved from the previous year, mainly because of an extremely steep decline in private aid flows, according to the Ministry of International Trade and Industry.

The total value of aid for the year, including private and official aid, was \$2.96bn. compared with \$5.84bn. in 1973. As a percentage of gross national product, Japan's foreign aid dropped from the very respectable level of 1.44 per cent in 1973 to 0.65 per cent in 1974. That decline would have been steeper still if the GNP had not recorded a negative growth rate in 1974.

The 0.65 per cent level looks embarrassingly low when set against the norm of 1 per cent for the ratio between a country's aid programme and its GNP established in the Pearson Commission report.

The one area in which Japan's aid programme held up relatively well last year was in direct investment late in 1973 which resulted in most investment in the following year being confined to projects judged to be essential to Japan's national interests.

Japan is obviously likely to face criticism for its poor aid record last year, as the Asian Development Bank as its imports from developing

\$17.9m. compared with the previous year's \$355m., reflecting the fact that Japan received more repayments from previous loans and bank issues than it made available in new loans.

The really striking change in the 1974 aid figures is in the private flow of funds, including direct investments and export credits, which have always made up a large portion of total overseas Japanese aid. That was down from \$3.65bn. in 1973 to \$0.65bn., a fall of 71 per cent.

The largest decline in private aid flows—private direct investment—yielded only \$87m. last year, compared with \$3.05bn. in 1973. The fall in direct investment can be seen as a direct result of the Japanese Government's efforts to limit long-term capital outflow so as to offset the burden on the country's balance of payments of higher oil prices.

The Government imposed guidelines on overseas direct investment late in 1973 which resulted in most investment in the following year being confined to projects judged to be essential to Japan's national interests.

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## Exporters to Israel urged to ignore Arab boycott threat

BY DAVID BUCHAN

WITH A call to U.K. exporters what the Israeli economy really to ignore the threat of an Arab needed was the import of capital boycott if they traded with and machine goods to help Israel, Mr. Gideon Rafael, the Israeli Ambassador to Britain, opened a one-day London Chamber of Commerce seminar in London yesterday on trade between the two countries.

His claim that the Arab boycott was exaggerated and "overwritten" was supported by Mr. Michael Sheft, joint vice-chairman of Marks and Spencer who to bridge the gap in Anglo-Israeli trade. Last year U.K. exports were £215m. against only £75m. in Israeli exports, proscribed by the Arabs.

In the interim period until Britain became self sufficient in diamonds processed and refined, Mr. Rafael declared, the British should not forget—in the rush for oil-rich Arab markets such as the Israeli KFIR fighter aircraft (basically a Mirage with a Phantom engine).

The second was the new EEC-Israel agreement which comes into force on July 1. It will suspend all EEC tariffs on Israeli industrial imports after July 1, 1977 and sets a considerable longer timetable for similar products if they wanted certain products badly enough the boycott was almost waived. An example quoted was Hilton International. It had hotels in several Arab countries, and was building a second one in Israel. Israeli trade officials said that Israeli concessions.

have also been falling recently.

The main defence of the 1974 figures is likely to be that Japan did its best to keep the flow of Government-to-Government aid steady despite the fall in private flows. At 0.25 per cent of the GNP, however, official bilateral aid remains low both by comparison with the Pearson Commission's norm (0.7 per cent) and compared with the record of other major aid donors.

As for prospects, 50 per cent of the exporters regarded them as "poor" and only 8 per cent forecast rising sales.

Existing safeguards on the

price situation on revaluation of the Austrian schilling vis-à-vis the U.S. dollar. The same arguments applied to the Canadian market, where Austrian sales in the first quarter also fell by 32 per cent. The U.S. recession is regarded as secondary to the appreciation of the schilling.

As for prospects, 50 per cent of the exporters regarded them as "poor" and only 8 per cent forecast rising sales.

Mr. Hore said Mongolia's drive to improve public health offered opportunities for sale of drugs and medical equipment. Mongolia also needed spares to re-equip Western machinery if it had obtained indirectly several years ago.

The mission, one of the few sent by the West, was organised by the East European Trade Council. Its report will not be published immediately. Instead, it will be circulated privately to British industry because it contains information which is largely unknown outside Comecon and therefore of some value to foreign competitors.

One of the mission's main conclusions is that Mongolian earning capacity will determine how much trade goes outside Comecon. Since most of its exports, such as animal products, fur and wool are seasonal, purchasing power will be spasmodic.

The mission also learnt that Mongolia was not interested in credits to boost trade further, being content to deal mainly with Comecon. But it would be willing to expand sales of minerals such as copper and coal when resources were developed in the next three or four years.

The payment and the band of several million dollars worth of supplies to needy Argentine families, as the guerrillas demanded, reduced almost to insignificance the previous record payout of some \$15m. by the Exxon company to another group of Argentine guerrillas last year. From the company point of view, it focuses the spotlight more sharply on the measures that can be adopted to cut risks and in particular the insurance cover that can be acquired to guard against losses which could break all but the biggest international operators.

The insurance market is very circumspect about the information that it gives out about kidnap cover, lest the kidnappers in private security companies—feeling that cover is universal—think that their every demand will be complied with. Nevertheless, it is clear that premium income is becoming an increasingly important item for London underwriters.

BRIAN COLOUHOUN AND PARTNERS is undertaking for the Sudan civil aviation authority a feasibility study for development of three airports in southern Sudan and an alternate to Khartoum airport in the vicinity of Port Sudan.

OXFORD ELECTRONIC INSTRUMENTS reports U.S. orders worth £250,000 so far this year for miniature analog tape recorders for medical and environmental monitoring.

Export Contracts

HAWKER SIDDELEY POWER ENGINEERING will build a 1.15MW diesel power station for the Gulf state of Ajman. The order total is thus raised to £35m., a large part for the Mid-East.

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## OVERSEAS NEWS

## Botswana snubs Amin over OAU meeting

## U.S. lifts ban on aid to Sudan

BY JAMES BUXTON

**BOTSWANA** has become the first country to say categorically that it will not take part in the meetings of the Organisation of African Unity (OAU) due to take place in the Ugandan capital of Kampala next month.

A statement issued in Botswana said that President Seretse Khama had taken the decision on the advice of his Cabinet because there were fears for the personal safety of the members of the delegation. It referred to General Amin's "apparent disregard for the sanctity of human life and his exhortation to the armed forces in Botswana, Tanzania and Zambia to overthrow their elected governments because of their participation in the recent attempts of the Rhodesians to find a peaceful settlement of the Rhodesia dispute."

Uganda takes over the presidency of the OAU from Somalia next month. The OAU Foreign Ministers are due to meet in Kampala from July 18 to July 25 preparatory to a summit meeting opening on July 26.

It has been speculated that General Amin has been using the Hills affair to win prestige for Uganda before these meetings. Mr. Hills, a British lecturer, is still due to be executed on July 4 following a visit to Uganda by Mr. Callaghan, the British Foreign Secretary.

In London, the Foreign Office yesterday totally dismissed a new allegation by Radio Uganda that Mr. Hills was a British spy.

Agencies reports from Nairobi: President Amin has said that he has documents signed by condemned Briton Denis Hills saying Britain had asked him to be a spy. Uganda Radio said to day.

Speaking before ministers, diplomats and officials last night, General Amin said that he would not disclose the contents of the documents to anybody except British Foreign Secretary James Callaghan when he visited Uganda, the radio said.

Lybia has sent air support to Uganda in response to Ugandan claims that Britain has threatened an invasion, Uganda Radio disclosed to day.

Uganda Radio later broadcast a statement by a military spokesman warning people not to panic when the saw unusual supersonic aircraft in Uganda.

## JOHN BRIGHT GROUP

## Hopes fulfilled

The 52nd Annual General Meeting of the John Bright Group Limited will be held in London on July 16, 1975. The following is a summary of the circulated Statement of the Chairman, Mr. I. M. L. D. Forde, for the year ended March 30, 1975.

## THE RESULTS

The results of the Group for the year have fulfilled the hopes expressed in my last Statement. Pre-tax profits of the Group before deduction of Loan Stock interest rose from £944,806 to £1,267,606. Our profit would, however, be substantially lower than the figure shown in our accounts if depreciation were charged at the full rate demanded by the increased replacement cost of plant and machinery. An interim dividend of 9.95p has been paid and our Board now recommends a final ordinary dividend of 1.10p per ordinary stock unit of 25p, making a total of 2.05p for the year as against 1.925p paid for the previous year. After allowing for tax credits, the total dividend is equivalent to 12.441 per cent. as against 11.268 per cent. paid last year.

## TRADING

Industrial textiles have increasingly become our dominant operation and our order book in this division at the close of the year remains at a high level. Our spinning capacity enjoyed an almost insatiable demand for cotton yarn until September, when the market declined sharply. The decision was taken during the year to reduce our spinning output to a level more in keeping with our future needs. This reorganisation has now been completed successfully and we are once more trading profitably in our spinning activities. The operations of the carpet yarn spinning unit suffered from the recession in the carpet industry, but the adverse effect was somewhat mitigated by the continuing demand for heat-set yarns.

Since November, the downturn in the motor industry world-wide has been reflected by a fall in the demand for tire cord fabric. The decision was reluctantly taken in March to close our Carrhill plant in order to concentrate production and preserve the skilled labour force at our other two cord fabric plants.

Building on our present strong position in the technological field of reinforcement materials for the rubber and plastics industries, we have embarked on a major expansion programme in this area.

## THE FUTURE

With a good order book for industrial textiles and the improvement in the raw material supply position, we should be able to look forward to another satisfactory year, even though the outlook for our carpet yarn and cord fabric activities is not as encouraging as we would like it to be.

## HIGH-TECHNOLOGY MANUFACTURING BUSINESS

## FOR SALE

Continent location ideal to serve both Common Market and Eastern Block. Modern air conditioned 35,000 square foot plant with ample expansion capability. Strong management.

Unique opportunity for company needing quick capacity in computer, telecommunications or similar field.

Available with profitable order backlog which will finance change-over to your own products. Possibility also to license some present products.

Principals only — no brokers.

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## Ennals talks on Rhodesia

KHARTOUM, June 26.

By Graham Hatton

SOURCES here confirmed to-day \$28m. Saudi royal loan to the U.S. Government has finance part of the Rahad irrigation scheme. The terms of the loan have not been disclosed but it is the first loan which Saudi Arabia has made to the Sudan and could pressurise closer economic links between the two countries. Saudi Arabia last year requested last year after the Sudan's ban at the State Department's request released "Black September" guerrillas who had been convicted over the death of the U.S. ambassador to the Sudan in the previous year.

The lifting of the credit ban on the Sudan is a major step in the mellowing of relations between the two countries. It confirms that the U.S. is prepared to take a more positive role in relations with Khartoum. It should have a considerable effect in encouraging U.S. investors to exploit the Sudan's development potential.

The ban affected two big orders the Sudan Government had placed with U.S. companies: an order for 30 General Electric diesel locomotives, badly needed for the Sudan Railways, and an order for two Boeing 737 jets for Sudan Airways. Alternative financing was eventually arranged in both deals after Eximbank backed out.

Eximbank finance may become involved in the \$40m cement plant project which a U.S.-Saudi Arabian-backed concern is to build near Port Sudan, as reported in the Financial Times earlier this week.

In two related moves on the development front the Sudanese Finance Minister, Mr. Mamoun Beheiry, is due to return to-day from Jeddah, Saudi Arabia, after signing an agreement for a Sudan.

The Arab Fund could be the medium through which the Saudi Arabian Government channels any investment funds it proposes to direct to the Sudan.

Nationalist observers here dismissed the notion that the results were a manifestation of a white backlash against Mr. Vorster's conciliatory approaches to Black Africa; but they did say that the heavy abstentions (averaging more than 50 per cent.) showed that the party's supporters had suffered a crisis of security.

## MRS. GANDHI'S LEVERS OF POWER

## The Generals will obey

BY K. K. SHARMA, NEW DELHI CORRESPONDENT

MRS. GANDHI must have full of the Army, Navy and Air also large contingents controlled years before 1970, when the Congress came to power again. The civil service is efficient and it is largely because of its professional functioning that a large country like India has been successfully administered.

But it must be remembered that the IAS is very much a part of the democratic structure. Of all the forces to Mrs. Gandhi must control this is the most important. If she wants her orders carried out, it is also in the present situation, the biggest unknown factor. Democratic by instinct and training, members of the IAS must surely now be having doubts about Mrs. Gandhi's acts. But any revolt will prove difficult simply because the IAS, despite its all-Indian nature and organisation, is not united as such. It has also been trained to obey its political masters. And Mrs. Gandhi can be expected to win over possible rebels before they get to the change. Should, however, the civil service unite sufficiently to oppose the Prime Minister, it would be the most difficult to deal with.

"It is impossible at present to predict which way the army will go. But the chances are that, being dispersed all over the country and faced with an entirely new and unexpected situation, the generals will fall in line . . ."

small Delhi area command are armed with infantry weapons. The co-ordinator is the Chief of Staff, with headquarters in New Delhi. Any action taken by the army in the present situation would have to start orders initiated by him — whether in support of Mrs. Gandhi or against her. It is impossible at present to predict which way the army will go. But the chances are that, being dispersed all over the country and faced with an entirely new and unexpected situation, the generals will fall in line and obey any command given by Mrs. Gandhi (or, more technically correct, the President, who is the supreme commander of the army).

Mrs. Gandhi must also have the support of the police. The bulk of the police — both the armed units and others — come

from the states. Fortunately for her, elections in the past few years have brought to power Congress governments in all the states except Kerala (where a Communist-led coalition rules) and the states (in "state cadres") and officers working for the central government are usually taken from the states "on deputation."

Beyond their day-to-day administrative duties, its members also have powers to control the police which cannot be obstructed. And Mrs. Gandhi can be expected to use her emergency powers to take care of this threat. "President's Rule" is now almost certain in Gujarat (where the five-party combine of Right-wing parties has just formed the government). Only Gujarat can prove to be obstructive, and Mrs. Gandhi will be expected to use her emergency powers to take care of this threat. "President's Rule" is now almost certain in Gujarat and its leaders may well join the rest of the opposition in Indian jails.

## Obstructive

Less difficult to deal with, so far as Mrs. Gandhi is concerned, are the states. Fortunately for her, elections in the past few

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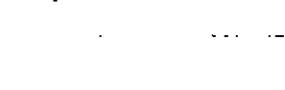
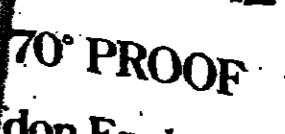
## Saturday selection

When the week lies behind you, relax with the smooth, dry taste of Booth's Gin.

And Booth's is the perfect companion for a Saturday night out.

## Smooth Booth's

By Appointment to Her Majesty the Queen  
Gin Distillers  
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BOOTH'S  
Fined Dry Gin

# W. German cabinet split on EEC financial cuts

BY JONATHAN CARR

WEST GERMANY'S policy towards the European Community has again been the subject of sharp differences in Cabinet—and has brought a decision to make a thorough stock-taking later this year.

At the heart of the problem is the fear of Foreign Minister Hans-Dietrich Genscher that Bonn's policy of making every possible financial saving within the EEC is being carried too far. His concern is that excessive zeal in this field will undermine the faith of West Germany's partners in her dedication to European integration.

His view emerged at a Cabinet meeting yesterday—in the wake of criticism by some colleagues that Agriculture Minister Josef Ertl had agreed too easily to EEC protective measures for Italian farmers at a Community meeting earlier in the week.

The Cabinet session also came on the eve of the EEC gathering of a Budget deficit this year even

to consider the future of joint research centres, for which extra funds are being sought. The official Bonn line on this is likely to be tough too. The Foreign Ministry concern is that West Germany will force for itself the image of ever saving for surpluses sake, and that this will prove politically counter-productive. A decision has now emerged to review Bonn's EEC policy at a special one-day Cabinet meeting—though it will not be held until September.

This dispute, in which the aims of the Foreign Ministry and those of the Finance Ministry cut across one another, is hardly new. But it appears even sharper now than it did some nine months ago when Bonn initially refused to agree to new EEC farm price rises, causing a widespread temporary furor.

For one thing, there is now even more fierce pressure on the Finance Minister Hans Apel to budge, partly fundamentally indistinguishable from one

BONN, June 26.

## France cuts inflation to 10%—Fourcade

By Robert Mauthner

PARIS, June 26. FRENCH Finance Minister Jean-Pierre Fourcade to-day underlined the seriousness of the British economic situation and compared it unfavourably with the success the French authorities have had in fighting inflation.

After announcing, at a luncheon given by the French business weekly *L'Expansion*, that retail prices rose by no more than 0.7 per cent in May, the lowest monthly increase since December, 1973, M. Fourcade said that France was now nearing the target of a rate of inflation for 1975 as a whole of less than 10 per cent.

This was the result of a definite policy and not just more favourable external conditions. By contrast, Britain had demonstrated "what results were obtained by those who preferred inflation to unemployment," M. Fourcade said. Prices were increasing faster in Britain in three months than they would in France over the whole year. What was more, the number of unemployed was the same in Britain at the end of April as it was in France.

The French Finance Minister admitted, however, that it was much too early to proclaim a final victory over inflation even in France. The fall in imported raw materials prices had permitted a stabilisation of producer prices, but the discrepancies which still existed between the latter and the retail prices showed that the reductions were not being passed on in many cases.

M. Fourcade also claimed success for his policies in the field of foreign trade. The target of a balanced trade account at the end of 1975, which had been considered unrealistic by most commentators, had been attained 12 months in advance, he said. During the first five months of this year, the trade surplus had amounted to Frs. 5.5bn. (about \$550m.) while the current payments balance had been in equilibrium in the first quarter.

The Minister did not deny that these favourable results had been obtained partly as a consequence of reduced economic activity. However, a genuine structural change in trade patterns had also taken place, he said.

Thus, the reduction in France's energy consumption had led to a cut of 20 per cent in crude oil imports during the first five months of the year, there was now a surplus of more than Frs. 1.5bn. a month for trade in capital equipment, compared with a deficit one year ago; and exports to new markets, particularly the oil-producing countries, now totalled some Frs. 1.5bn. a month against only Frs. 0.5bn. before the oil crisis.

## Import drop boosts surplus in May

BY NICHOLAS COLCHESTER

BONN, June 26.

A MARKED drop in Germany's imports in May brought the up by over 4 per cent. in real terms while exports are down DM2.8bn. in April to DM3.3bn. by some 12 per cent.

The German surplus on current account for May was DM1.1bn. compared with DM7.0bn. in April. The current account surplus for the first five months is thus running at DM7.2bn. compared with its level at this time last year of DM17.6bn.

Guy Hawtin writes from Frankfurt: West Germany's electro-technical producers moved deeply into recession in the first quarter of the year, according to figures released by their Manufacturers' Association. In nominal terms output fell by 8 per cent. while in real price-adjusted terms the decline was far higher at 12.5 per cent.

Unemployment in the industry, which rose to 8.2 per cent. declined slightly in the spring, said the report of the Zentralverband der Elektrotechnischen Industrie.

However, some 900,000 workers were affected by short-time working.

The statistics for average worth show that May's imports were on average 3.3 per cent. cheaper than they were a year earlier, and that exports from Germany were 4.4 per cent. more expensive, both percentages referring to Deutschemark prices. The equivalent price figures for March were plus 6.2 per cent. for exports and minus 4 per cent. for imports. When these latter adjustments are applied to the five month export and import figures they suggest

Extracts from the 1974 report of

## BOLIDEN

### GROUP

#### Turnover and profits

The turnover of the Boliden Group in 1974 increased to Skr 2,617 million (Sk 1,837 million for 1973). 46 per cent of the turnover were attributable to metals, 30 per cent to fertilizers, 17 per cent to chemicals excluding fertilizers, and 7 per cent to machines. Of the total sales, 38 per cent were export sales from Sweden.

The gross operating profit of the Group increased to Skr 491 million (374), and the operating profit after budgeted depreciation to Skr 370 million (270). Profit before dispositions and taxes was Skr 359 million (242). Net profit was Skr 42 million (60) after allocations to compulsory environment and special investment funds of Skr 78 million (0).

#### PARENT COMPANY

##### Production

Our deliveries from mines to dressing plants amounted to 10.2 million tons (10.0). The largest mine, Aitik, contributed 6.1 million tons (5.9). Copper output amounted to 59,900 tons (61,900). The production of refined lead and silver-bearing lead amounted to 45,200 tons (46,700), production of silver to 197 tons (196) and production of gold to 3.7 tons (3.8). 825,800 tons of sulphuric acid (822,000), as well as 64,600 tons of liquid sulphur dioxide (67,100) were produced. Solid chemicals production increased to 528,000 tons (501,000).

##### Turnover and profits

The turnover of the Parent Company increased to Skr 1,674 million (1,257), and the gross operating profit increased to Skr 355 million (273), and the operating profit to Skr 271 million (202). Net profit was Skr 35 million (55) after compulsory allocations to environment and special investment funds of Skr 77 million (0).

##### Dividend

Together with retained earnings of Skr 24 million, Skr 59 million were at the disposal of the Annual General Meeting. The Board recommended a dividend of Skr 10 per share and a bonus of Skr 1 for the year, or a total of Skr 11 per share (10), for which Skr 38 million (35) was appropriated. The Board also proposed an allocation of Skr 17 million to the debt adjustment reserve and a carrying forward of the remaining Skr 4 million.

The reports and accounts were approved by the Annual General Meeting of shareholders on May 6, 1975, in Stockholm.

Boliden is the leading Scandinavian producer of non-ferrous metals and related inorganic commodities.

COPIES OF THE FULL REPORT may be obtained from Boliden Company Ltd, Information Department, Box 5508, S-114 85 Stockholm, Sweden, or from Boliden (Gt Britain) Ltd, Oakhouse, London Road, Sevenoaks, Kent TN13 1BL.

## Socialism is sweeping Europe, says Coutinho

BY ROGER MATTHEWS

LISBON, June 26.

ADMIRAL ROSA COUTINHO, a powerful, America must regain its image with the ordinary people of the world who now think that the star of freedom is not the star for the rich.

The Armed Forces Movement, he told the American Council of the World, had to be considered as a liberation movement, added the Admiral.

"We shall have to cut corners in order to achieve our aim of helping our neighbour (Spain). But for pragmatic anti-collective control over the means of production is a necessary part.

During the transitional stage that we are now in, which may exist for the next 20 to 30 years, certain forms of mitigation will be permitted to us.

"We are therefore open to foreign investment during this time and a new code will shortly be published which I can say is liberal."

Portugal and the U.S. earlier today signed an agreement for economic assistance through which the Americans will provide \$13.25m. for low-cost housing in four main areas of the country. Apart from this, the U.S. Government has authorised a guarantee of \$20m. of private funds which will also go towards cheap housing. The American embassy said that total aid to Portugal this year had now reached \$35m.

However, Admiral Coutinho also had some blunt words for the Americans.

"In the past, during my youth, the United States used to be looked on as the star of freedom—the freest people in the world, we thought. But the U.S. is losing its image, perhaps because it became too

COMECON LEADERS ended their three-day summit meeting to-day with the promise to increase their raw material, fuel and energy production and to continue their long-range integration projects.

A protocol on the 29th Comecon Council, which comprises nine Communist nations, showed that the Soviet Union will continue as Comecon's main raw materials supplier.

The Co-ordination Committee, which is responsible for the fixing of a summit date, agreed to meet again to-morrow and then again on Monday.

Officials said that a summit date agreement to-morrow is impossible and "very unlikely" on Monday.

The conference, which has now been going on for two years, works on a consensus basis, meaning that as long as any one country formally rejects a proposal there is no agreement to their promises.

This formal review is opposed by both the Eastern and Western big powers. They argue that a review can be arranged on the basis of developments following the signing of a completed document, which is in effect no more than a declaration of intent not subject to ratification.

Western countries today generally approved holding a concluding summit as soon as possible, but had reservations on fixing a date as long as some major issues are still outstanding.

These include the prior notification of military manoeuvres on which Moscow is proving obstinate, and an article upholding Four-Power responsibilities in Berlin.

There is also the question of guaranteeing freedom of access to radio and television broadcasts, which would mean an end to all forms of "jamming."

Malta to-day also rejected the

## Publishers warning on Paris strikes

By Rupert Cornwell

PARIS, June 26. WITH FRANCE virtually deprived of newspapers to-day for the fourth time since April, the Paris newspaper publishers have warned that repeated strikes by printers were putting at risk the future of the country's Press.

This latest one-day stoppage, like its predecessors, is in protest at the plans of the "Parisien Libre," France's number two mass circulation daily, to sack more than 200 printers and close its Paris works as part of an economy drive.

To-day, printers from the Communist-controlled CGT union and the Socialist CFDT marched through the capital, clashing with rival demonstrators armed with banners proclaiming that "the Left is assassinating the Press"—a reference to events concerning the Portuguese daily *República* which have caused so much turmoil here.

The only newspaper on sale in Paris this morning was a "pirate" edition of the *Parisien Libre*, which appeared, ironically, with the assistance of printers from another union, the moderate Socialist Force Ouvrière.

The statement by the Publishers Association came as deadlock in the dispute between the "Parisien's" publisher M. Auzary and the print union is complete. The Government has made clear that it cannot intervene, although a court order of evacuation still hangs over the occupied premises of the paper in central Paris.

To-day's events have become entangled with other worries about the French Press. It is no coincidence that for the first time in the series of printers' strikes several left-wing journalists' unions have thrown in their support.

Financial difficulties hang over leading Paris papers like *Le Figaro* which is also the centre of complicated negotiations which could lead to a change in its ownership. Smaller publications are openly fearful that with only one or two more disruptions like today's they will be forced to go out of business.

## Comecon energy projects

BUDAPEST, June 26.

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Finland proposed July 28, arguing that it requires four weeks to make the security and logistical arrangements required by such a large gathering of heads of state and government.

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## Dres. Dabelstein & Paulick

Lawyers

We have moved and have accepted  
Mr. Klaus Dirksen, Advocate and  
Master Mariner for partnership.

2 Hamburg 11, Katharinenhof, Grimm 14;  
Tel. 32 46 96, 32 46 98; Telex: 216399

The accounts for the 1974 financial year were approved at the Annual General Meeting of Shareholders held on May 21, 1975. The accounts show the following results:

Operating revenue	Fr. 2,635 million
Net operating revenue	Fr. 1,015 million
Net profits	Fr. 18 million
Dividend per share, Frs. 6.00, including tax credit, amounting to, Frs. 2.00, payable as from June 2, 1975 on the 4,800,000 shares of Frs. 50.00 nominal value, making up the capital of Frs. 240,000,000 (Coupon No. 40)	
Group's consolidated net profit	Fr. 30 million
Share of this consolidated profit applicable to Crédit du Nord et Union Parisienne	Fr. 26 million

The Chairman, Mr. Antoine Dupont-Fauville, in his address to the Annual Meeting stated that the overall results, normal in view of present economic conditions and hindered by the necessary adjustments which the merger dictated were, nevertheless, unsatisfactory. However, although it is difficult to evaluate results based on only a three-month period, the first quarter of 1975 clearly more favourable and constitutes for us a source of encouragement.

Principal items of the Balance Sheet as at December 31, 1974	
Balance sheet total	Fr. 20,254 million
Total of clients' deposits	Fr. 12,840 million
Total of credits	Fr. 17,578 million

## Complementary activities of the networks: an essential asset for the success of the merger (\*)

1974 was a landmark year in the history of Union Bancaire as it was the year in which the merger of the two organisations gave birth to your company in its present form. It would be unrealistic to suppose that the various problems, particularly those concerning the personnel, arising from a large operation such as this merger have been entirely solved. The least that can be said however is that the remarkable complementarity of the two branch systems limited considerably the potential of the problems. The new bank presently manages a

## EUROPEAN NEWS

## Socialists say 'No' to new Centre-Left coalition in Italy

BY ANTHONY ROBINSON

ROME, June 26.

ANY LINGERING hopes within the current Christian Democrat Party leadership that the Italian Socialist Party (PSI) is prepared to accept the prompt reconstitution of the four-party Centre-Left coalition formula both nationally and locally, as proposed by Sig. Fanfani, have been thoroughly dashed by the PSI. Addressing the PSD leadership meeting to-day party secretary Francesco de Martino said it was simply impossible for the Christian Democrats to re-propose the Centre-Left formula as if nothing had happened since last week's regional and local elections or that the bitter electoral polemics between the PSD and the PSI party had not taken place.

Sig. de Martino's analysis of the election result is that the PSI has not succeeded in becoming the principal protagonist of the Left in Italy but that its moderate success has increased its importance as the arbiter of Italian politics. Furthermore, he said, "the electorate has not linked the PSD with the policies followed by the Christian Democrats and the increased votes for the PSD show that its supporters see it as a party of the Left and an interpreter of a profound desire for change."

The Socialist leader was at pains to underline, however, that his party opposed any attempt to provoke the fall of the present two-party Government led by Sig. Aldo Moro and called on the Christian Democrats themselves to undertake a fundamental re-examination of their policies and methods as the essential prerequisite for an eventual reconsideration of the possibility of closer collaboration between the two parties.

On the highly important question of the type of political alliances to form at a local and regional level Sig. de Martino said that this posed fundamental questions of political strategy. The choice was between adherence to the pre-electoral formula of forming Centre-Left coalitions

## Gromyko in Rome

BY ANTHONY ROBINSON

ROME, June 26.

SOVIET FOREIGN Minister Andrei Gromyko arrived in Turin paper *La Stampa* interprets this as an indication that the prospects of the Communist Party's entering the Government and its formal purpose is to maintain bilateral contacts and is causing as much perplexity to discuss the European security the Soviet leaders as to U.S. situation in the light of the Secretary of State Henry Kissinger.

The increased prestige of the Communist Party, its close links with the heretical Yugoslav party and the Spanish party led by Senor Santiago Carrillo, its criticism of the Portuguese party led by Moscow-trained Alvaro Cunhal, its insistence on the gradual dissolution of both the Nato and the Warsaw pacts with the heretical Yugoslav party and the Spanish party led by Senor Santiago Carrillo, its criticism of the Portuguese party led by Moscow-trained Alvaro Cunhal, its insistence on

Leaving the formal aspect of the visit aside, however, Mr. Gromyko is the first highly placed Soviet official to visit Italy since the Italian Communist Party's sweeping gains in the regional and local elections. On Saturday night he is holding a reception at the Soviet Embassy at which he will certainly meet high-ranking members of the Italian Communist Party.

Meanwhile, the Italian Press has noted that the Communist Party's electoral victory has caused a lot of attention in the Socialist in the light of its own Soviet Press compared with the national cultural and historical blanket coverage in Western traditions. But this is hardly an orthodox Soviet viewpoint.

## Swiss Bank may tighten foreign exchange rules

BY JOHN WICKS

DAVOS, June 26.

THE SWISS National Bank is currently examining possibilities of further tightening its regulations governing forward foreign exchange transactions. This was stated here to-day by the Bank's president, Dr. Fritz Leutwiler, at the annual general meeting of the Swiss Chemical Industry Association. The existing situation, he said, still permitted foreign interests to avoid the 10 per cent. per quarter negative interest rate on foreign Swiss franc accounts.

Dr. Leutwiler said the National Bank was sceptical about the benefit of a greater degree of intervention on the foreign exchange market to uphold desirable exchange rate levels. The Bank had, he said, purchased dollars worth about Swiss Frs. 400m. since the start of this year. These purchases of up to

investments.

## By the numbers

BY JOHN WICKS

ZURICH, June 26.

IN A STATEMENT issued from its Basle office, the Swiss Bankers' Association said that "despite misunderstandings and obscurities" that occasionally occur with regard to numbered accounts, there is no reason for the system to be abolished.

Reacting to reports of official talks between the National Bank and representatives of the major commercial banks on the future of the Swiss system of numbered accounts, the association says that these accounts have in the past played a valuable part in complementing the economy,

## COPYRIGHT IN THE SOVIET UNION

## Brought to book at last

BY DAVID LASCELLES, EAST EUROPE CORRESPONDENT

MIXED FEELINGS greeted most of the major countries in Moscow's long-delayed accession to the Universal Copyright Convention in May, 1973. Western publishers and performers, however, were less than pleased because it signalled an end to piracy in one of the world's biggest markets for words and music, which cost them told millions in lost royalties.

Others feared that the move was intended to stifle further dissenting writing, by making it an offence against the foreign trade laws to publish abroad privately. Two years later Moscow's decision seems on balance to have been a good thing. Little has been heard of it being used as a weapon against dissent. On the other hand, the Russians have been busily signing up copyright agreements with the 63 other countries to the convention.

They have proved lucrative for western writers, composers and musicians. This work has been done by the Soviet Copyright Agency VAAP, a somewhat anomalous body officially classed as non-governmental, but which nevertheless enjoys foreign trading rights normally reserved exclusively for State organs.

VAAP is headed by a former editor of the youth newspaper *Komsomolskaya Pravda*, Mr. Boris Pankin, whose dark and craggy features are now well known in western copyright offices. He and his team of officials were in London earlier this month, where he told a Press conference that the Soviet Union had fixed up agreements with

bridges before copyright legislation can be said to be complete. The biggest writing that does not pander to a popular market, though this should be assessed, and has held does not mean that no light up book publishing in print or reading is published.

According to Mr. Andrew Nurnberg of Robert Harben Associates, the literary agents, who is the principal negotiator, the well and themselves on the

The Soviet system is designed to sustain writing that does not pander to a popular market . . . Were the Soviet Union to operate a Western percentage royalty system, party ideologues might find themselves on the breadcrim.

The trouble is that the Russians have a scale of rates for authors' signatures which discriminates against foreign authors. First publication in the Soviet Union attracts the top rate, but translations, whether into Russian or other Union languages, get only one third as much. The Russians say western titles bought and translated through VAAP should get a translation rate, but the western position is that foreign titles constitute a first publication in the Soviet Union and should get top rates.

The Russians offered to compensate by paying percentage royalties, but though western publishers operate this system themselves, they will resist it because it would mean a smaller return than that already described. As one might expect the substantial return, the rates system has encouraged verbosity, being anything up to £100 per page. Instead, they pay by length, with books up to 16,000 words per 16 million rubles. The author receiving royalties becomes a millionaire according to a set scale per 16 printed pages. (This figure is in fact, Mr. Nurnberg says, evolved from galley proofs known as author's signatures containing western authors. Since most of 16 pages of type which need the books the Russians order are scientific and of limited appeal, the author gets a guaranteed and scientific and technical.

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Takes at this level often involve hard bargaining. But they fit the system where the Soviet book market where amazingly low prices of many books in the Soviet Union would be paid by length but by the number produced, a form of percentage royalty which the West progress has been made.

## EBIC - THE EUROPEAN BANKING COMMUNITY FOR INTERNATIONAL BUSINESS.

European Banks International. Seven leading independent banks: Amsterdam-Rotterdam Bank, Banca Commerciale Italiana, Creditanstalt-Bankverein, Deutsche Bank, Midland Bank, Société Générale de Banque (Belgium) and Société Générale (France).

Each bank is a separate entity.

Together we can offer a lot of financial weight in some very competitive markets.

This is how we do it:

### 1. European Credit Bank and European Banking Company.

In Europe, in addition to our more than 9000 branches, we also have European Credit Bank (BEC) in Brussels and European Banking Company in London for long term, large scale international financing. (European Banking Company also has a branch in Chicago).

**2. European-American Banking Organisations.** In America, you will find European-American Banking Corporation with offices in New York, Los Angeles and San Francisco and European-American Bank & Trust Company with more than 100 branches in the New York area.

**3. European-Asian Bank.** In South-East Asia, we're in the major business centres of Singapore, Hong Kong, Jakarta, Karachi and Kuala Lumpur as European-Asian Bank.

**4. Euro-Pacific Finance Corporation.** In Australia there is the Euro-Pacific Finance Corporation in Melbourne and Sydney.

Your point of contact for these organisations is at any of the more than 9000 branches operated by the seven leading banks comprising EBIC.

**ebic**  
European Banks International

## HOME NEWS

# BHS, Sainsbury seeking hypermarket go-ahead

BY SANDY McLACHLAN

BRITISH HOME STORES and J. Sainsbury have lodged an application for planning permission for a hypermarket with a selling area of 90,000 sq. feet on a site three miles outside Colchester, Essex.

This is the first planning application lodged by the two companies since the announcement in April that they were to form a new company jointly to develop hypermarkets.

The application by two such powerful retailing names is seen in some quarters as a direct challenge to the planning authorities, which have been slow to grant applications for these very large out-of-town stores.

Indeed, the original announcement that Sainsbury and BHS were entering the field was warmly welcomed by other hypermarket operators such as Carrefour and Tesco who took the view that they were gaining important allies in breaking down entrenched opposition to the hypermarket concept.

The choice of Colchester is interesting in the light of this, although a Sainsbury spokesman said yesterday that it was partly an coincidence that Colchester was the first of a number of applica-

## Outline plans

The proposed Carrefour site was close to the 18-acre site at Stanway—three miles west of the town centre—which Sainsbury/BHS are proposing to develop.

Two other groups also have applications in. Asda has submitted plans for one of its superstores, while Tesco is also seeking permission for a hyper-

market. Another point of interest is that Sainsbury already has a store in Colchester while BHS is intending to open a large store which will include a food section and a restaurant in the town centre in March next year.

BHS states that its plans for the town centre store will go ahead even if the hypermarket is allowed and according to stores of the two groups in Sainsbury. Its supermarket will

continue to trade, even with a hypermarket outside the town.

Part of the controversy over hypermarkets is their effects on existing trading centres, with established traders objecting on the grounds that their businesses will be hard hit.

Hypermarket operators claim that these very large stores are complementary to existing centres and the Sainsbury/BHS combine is putting this point forward by choosing its first site by a town where both groups are represented.

The proposed store would have a gross area of 130,000 sq. ft. and car parking facilities for around 1,250 cars. The two companies say the plans involve intensive tree planting and landscaping and claim that the surrounding road network is well able to handle any extra traffic generated.

If the joint company is allowed to develop the hypermarket it will sell food textiles and general merchandise to the standard which prevails in existing Sainsbury and BHS stores.

This merchandise will include own-label goods from each company and because of the economies which hypermarkets allow prices will be cheaper than brands apply only to its own brands. While the export of those brands to Common Market countries regulations.

## Stork TV advertisements case for High Court

A HIGH COURT judge is to decide whether the "can you tell the difference?" TV adverts for Stork margarine are legal. The Butter Information Council claims that under the 1967 margarine regulations, advertisements for margarine cannot include a description which refers to butter.

Van Den Berghs and Jurgens, who make Stork, are seeking a High Court declaration that their Berghs, part of the Unilever Group, seek legal clearance for

they are within the law. They have started legal proceedings three television advertisements.

## Cigarette prices rise

Carreras Rothmans is following its competitors and raising its prices on Monday. Most of the company's cigarette brands will go up by 1p for 20, but the prices of nine of its brands will remain unchanged.

As a result of the increases, Rothmans King Size will now cost 46p for 20 and Piccadilly Filter 42p. Pipe tobaccos will also go up in price, but the three new cigarette brands which were launched shortly after the Budget will not change in price.

"That being so we will con-

## 'Unofficial' whisky exports scotched

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT

DISTILLERS Company, the was permitted under the new major Scotch group, has taken action (but not to countries to stop the unofficial customers export of whisky from the EEC). customers must in future specify which part of their order they intend to export. They will then be charged the gross price for the whisky because it will not be the price of whisky bought in quality for the UK discounts.

The DCL also says it reserves the right to charge the gross price on all whisky delivered to any particular customer if it is discovered on sale in overseas markets bottles sold for UK consumption and on which a discount was allowed.

The DCL is known to have been handing have been on sale at below the price they must charge.

Now the DCL, whose brands include Johnnie Walker, Haig, White Horse, Dewar's, Black and White, and Vat 68, has written to all its UK customers offering them new contracts.

The company has pointed out that the various discounts offered to big customers on its brands apply only to its own brands.

While the export of those brands to Common Market countries regulations.

The DCL was not able to force its customers to stop exporting Scotch because then it would itself have been in breach of the Common Market free trade to Common Market countries regulations.

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Now the DCL, whose brands include Johnnie Walker, Haig, White Horse, Dewar's, Black and White, and Vat 68, has written to all its UK customers offering them new contracts.

The company has pointed out that the various discounts offered to big customers on its brands apply only to its own brands.

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## HOME NEWS



The Queen, escorted by Sir Henry Hardman, chairman of the Covent Garden Market Authority, at the opening ceremony. She was accompanied by Prince Philip and the Minister of Agriculture, Mr. Fred Pears.

## BBC's new governor

By Michael Thompson-Noel

MR. MARK Bonham Carter has been appointed a governor and vice-chairman of the BBC. It was announced from 10 Downing Street yesterday.

He succeeds Lady Plowden, who resigned the vice-chairmanship on becoming chairman of the Independent Broadcasting Authority.

Mr. Bonham Carter, who was the first chairman of the Race Relations Board, from 1966-70, is chairman of the Community Relations Commission, a director of the Royal Opera House, Covent Garden, and governor of the Royal Ballet. He is 53.

It was also announced yesterday that Lady Stedman, vice-chairman of Cambridgeshire County Council, has been appointed a member of the IBA. The appointment is until July 31, 1979, and completes the membership of the authority.

## Growing pressure on bookmakers' margins

By MICHAEL THOMPSON-NOEL

OFF-COURSE betting turnover prime site with a weekly turnover last month showed a 9.5 per cent. over target of £20,000-plus. from £135,510 to £148,410, confirming the pattern of the past 14 months which shows that U.K. gambling expenditure, in real terms, is

falling. Most U.K. bookmaking companies report stiff pressure on margins, while some of the biggest, such as Ladbrokes, are selling or closing some of their shops.

At its peak, the Ladbrokes betting shop chain numbered 1,140 units. This has now been reduced to around 1,080 and may eventually be slimmed to 900. Most of this, however, is straightforward rationalisation: in some instances, Ladbrokes is replacing three or four backstreet units with one "super-shop" on a

## Queen opens new Covent Garden market

Financial Times Reporter

THE NEW 68-acre Covent Garden market complex at Nine Elms, south of the Thames, in London was opened yesterday by the Queen. She is seen here, escorted by Sir Henry Hardman, chairman of the Covent Garden Market Authority, on a tour of the fruit stalls. She visited one of the large fruit and vegetable market buildings while the Duke of Edinburgh, who also attended the ceremony, visited the other.

The market was built at a cost of £37m., a substantial proportion of which was a Ministry of Agriculture grant. Trade has been carried on there since last November when the operations so familiar to opera lovers at the old Covent Garden market in central London was closed down.

Most of the tenants in the new market trading in fruit and vegetables have received six-year leases. Office rents average £2 a square foot for the first three years with an increase of 10 per cent at the start of the fourth. Flower market trading space rents of £3 a square foot have been agreed for the first three years with a fixed 10 per cent. increase for the following three years.

Meanwhile the future of the old Covent Garden remains uncertain. Two institutions, the National Provident Institution and the London Life Association, have carried out short-term renovation while preparing long-term plans based on conservation of the existing buildings.

Football pools betting continues to grow. Pool betting duty paid last month totalled £8,191, against £6,985, in May 1974, while bingo operators paid £563,000 compared with £475,000.

Overall, betting and gaming duties last month totalled £21,13m. (£18.81m.) In the 12 months to March 31, 1975, these taxes totalled a total of £238,55m. compared with £155,48m. in the previous 12 months—partly the result of increased turnover, partly of higher rates of off-course betting and pools duty.

£9M. MACHINE FOR BSC WORKS

A CONTINUOUS casting machine costing more than £9m. is to be installed at the BSC works at Lackenby, Teesside.

The machine, which will produce slabs for plate rolling mills, will complete the continuous casting plant commissioned three years ago.

## EMI ahead in computer X-ray-U.S. magazine

By DAVID FISHLOCK, SCIENCE EDITOR

EMI IS ahead of its two U.S. competitors at present in opening up the new market for computer-aided medical X-ray machines, but will encounter tough competition in future from U.S. General Electric, Siemens and Pfeifer, according to the U.S. business magazine *Forbes*.

The report suggests that one important reason why the new technology will sell well in the U.S. is public enthusiasm for malpractice suits against doctors.

The computer-aided X-ray scanners can differentiate with remarkable clarity between the soft tissues of the body, even when these are shrouded by bone.

U.S. doctors who fail to use the technique on their patients could later be held liable to charges of negligence if, for example, the patient turns out to be suffering from an undiagnosed tumour.

According to *Forbes*, doctors estimate that by the early 1980s few of the 1,350 U.S. hospitals with more than 300 beds will be without a scanner.

### Doubts

Competitors to EMI's latest system, the body scanner, are Techer's Delta Scanner, which Siemens plans to market outside the U.S., Britain, and Canada; and Digital Information Science Corporation, in process of being acquired by Pfeifer.

EMI is reported to be looking for 75 per cent. of its sales of the new system in the U.S., the article raises doubt whether the X-ray market can support all the big companies now wanting to make a body scanner early next year.

## COMPAGNIE FRANCAISE DE L'AFRIQUE OCCIDENTALE

The Ordinary General Meeting was held on Wednesday, 11th June, 1975, at the registered office in Marseilles, under the Chairmanship of Mr. Jacques Mullier.

77,889 shares out of a total of 1,200,000 were represented.

The net profit for the trading period ended 31st December 1974, which, exceptionally, covered 20 months, amounts to Frs.43,910,568.01. These results calculated on the basis of a 12-month period, show a progression of 14.6% on the previous year.

The Meeting declared a net dividend of Frs.22 per share, plus a tax credit of Frs.11, giving a total of Frs.33 per share. An interim dividend of Frs.12.20, plus a tax credit of Frs.6.10, having been made payable on 4th November 1974, there remains to receive a final dividend of Frs.8.80 per share, plus a tax credit of Frs.4.90. The final dividend will be payable as from 30th June 1975.

The report of the Board of Directors shows that the consolidated turnover of the Group for the 12 months of 1974 amounted to Frs.3,980m., an increase of 36%, on the previous trading period of 12 months ended 30th April 1973. A percentage of 64% of the turnover was produced in Africa and 35% in Europe.

The important change in structure of the Group commenced in 1973, whereby the African branches were converted into locally registered companies is now completed. Thus the role of the Company has become that of a holding organisation.

The Chairman, Mr. Jacques Mullier, stated in his report that the overall picture of the business of the Group was satisfactory and that favourable results for the current 1975 trading period were anticipated.

The Meeting of the Board of Directors, which was held following the General Meeting, fixed 8th September 1975 as the date on which to commence allocation of the 240,000 scrip issue shares corresponding to the increase in capital as decided on 9th April 1975.

It is recalled that the allocation will be made on the basis of one new free share for every five held.

The new shares will be quoted on the Paris Stock Exchange as from 8th September 1975.

## WINE SALE Port prices improving

By EDMUND PENNING-ROSELL

AS VINTAGE port was second only to claret in the wine, speculation boom which ended just two years ago, Christie's final port sale of the season provided an opportunity to gauge the current state of the market after the sharp post-boom falls in price.

The vintages most speculated in were the younger wines of the 60s—63 and '66—so price levels are of interest to the many still holding these cases.

Although the well-attended sale there were no spectacular price rises, an average of £10-12 per case higher than earlier in the year suggests that the market has reached bottom and might go

up. The message for those with younger vintage ports is surely to hold them, while those without might find this a good time to buy—for drinking later rather than short-term investment. The sale total was £38,000.

The preponderance at this sale of the private buyer intent only on small-lot purchases led to discrepancies in price between these and the larger quantities of main interest to the trade only.

Thanks partly to several keen American buyers, rarities fetched good prices. A single bottle of the rare Warre '31 brought £32.

Taylor '46 made up to £115 a dozen; Cockburn '35 at £165 a dozen equalled the previous auction record; and Taylor '45 at £180 was scarcely below it.

Taylor '48 went for £100 a dozen.

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## PARLIAMENT



## MPs press for early statement on salaries

THE LEADER of the House, Mr. Edward Short, was pressed in the Commons yesterday for an early statement on the Boyle report on MPs' salaries and conditions.

Labour MP Mr. Eric Agden (Liverpool, West Derby) accused him of "being no more helpful than the old coalmine owners were to miners in the old days."

Mr. David Steel (Lib. Roxburgh, Selkirk and Peebles) suggested that "under present economic circumstances" the Government might be justified in not granting the full award given in the report. The report was long over-drawn.

Mr. Norman Tebbit (C. Chingford) said that publication of the report was not only a matter of interest to the Commons, but to people outside it.

Mr. Michael English (Lab. Nottingham W) suggested that if the Government was embarrassed with its negotiations, it could publish the report "and allow us and our constituents to consider it and what its recommendations mean."

Mr. Short said he understood the concern about this. "The Prime Minister received the report ten days ago and it will be published eventually."

Answering Mr. English, he said: "It's not a case of being embarrassed. The report is very complicated and the House will have time to consider it."

## Beira oil patrol ends

MR. JAMES CALLAGHAN, former and Commonwealth Secretary, announced in the Commons yesterday that the oil blockade of Beira by the Royal Navy has been ended.

He stated: "We have discontinued the Beira patrol which, for more than nine years, has been successful in preventing the pumping of oil through the pipeline from Beira to Southern Rhodesia."

"With the independence of Mozambique, such narrations is no longer necessary to achieve that purpose."

## Credits still unclaimed

DESPITE EXTENSIVE publicity, some 2.4m. of the 17m. post-war credits originally credited, still remain unclaimed. This was disclosed in the Commons yesterday by Mr. Denzil Davies, Treasury Minister of State, who told Mr. John Pardue (Lib. North Cornwall), he would be considering whether anything more could be done to increase the flow of claims.

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## Annual Report Highlights

(\$ millions, except per share data)

Income Data		1974	1973
Sales	322.4	287.8	
Earnings before special adjustments and taxes	18.2	17.8	
Depreciation	4.6	3.8	
Special adjustments	10.7	5.9	
Taxes	4.6	6.5	
Reported net earnings	2.9	5.3	
Per share	3.21	6.31	
Adjusted net earnings	7.8	8.3	
Per share	8.68	9.83	
Per share, including equity in Gadelius Group	9.90	—	
Other Data (Year-end)			
Order bookings	409.1	339.5	
Order backlog	385.4	308.6	
Investments in property, plant and equipment	16.1	10.4	
Employees	9,646	9,046	
Dividend per share	3.06	3.06	
Shares outstanding	900,008	840,000	

For detailed Annual Report in English, write to:  
Fläkt Group, Box 20 340, S-104 60, Stockholm 20,  
Sweden

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## PM wants to build on TUC plan

THE TUC six-point economic plan was welcomed by the Prime Minister in the Commons yesterday.

Mr. Dennis Skinner (Lab. Bury) asked Mr. Wilson to tell the House "with this simple Yorkshire bluntness and directness for which he is famous, whether he agrees with it yes or no?"

Amid laughter, the Prime Minister replied: "Yes, sir. I greatly welcome the statement that was made yesterday."

"We will want to discuss it and build on it. It is extremely helpful and I am sure the whole House and the Opposition will welcome the matter to which Mr. Skinner in his blunt Derbyshire manner has drawn attention."

During later questions, Opposition Leader Mrs. Margaret

Thatcher said heatedly: "The Government brought forward longer you take to deal with the promised economic proposals, the higher unemployment will be in the end. The 'Sobies'?"

Mr. Wilson replied: "We have made it clear we are giving very urgent attention to these problems. I hope you will tell us how much you welcome the move by the TUC yesterday."

It was right to give time for the TUC to take "this important decision. We shall discuss this with them urgently and I believe that such a solution would carry widespread support."

Mr. David Steel (Lib. Roxburgh, Selkirk and Peebles) said it was unlikely anything could be done to improve the trading position or the currency slide before the

## Ruling to-day on Scargill remarks

"The Government brought forward what we would like to do. We Lloyd will rule in the Commons want to get it in a workable to-day whether statements made form certainly before the recess."

Mr. Wilson said: "This matter must be pushed on with urgency. We have now got something very important on which to build the six Yorkshire Labour MPs

sponsored by the union constitute

a prima facie breach of Parliamentary privilege.

The former Conservative

Prime Minister spent very many months talking with the TUC

Islington S and Finchley, who was not prepared to offer the Scargill's remarks appeared to be a prima facie breach of privilege and were based on a resolution passed by the York

shire area council of the NUM.

He listed three main elements

in the resolution:

1—No MP sponsored by the

Yorkshire area of the NUM shall vote or speak against union policy on any issue which affects the coal mining industry;

2—No such member shall actively campaign or work against union policy on any other major issue;

3—if any such member

refuses to agree to these guidelines or violates these guidelines, the area council shall withdraw sponsorship from that MP.

Mr. Cunningham said it had also been reported that the area council had stated: "We wish to make it clear that the Yorkshire area will no longer tolerate a situation where an MP accepts the privilege of sponsorship by the union and then demands the luxury of independence from union policies."

He recalled that the question of sponsorship of MPs was exhaustively examined in 1947 when sponsorship as such was by no means condemned. Nor was the termination of sponsorship by the sponsoring authority.

But Mr. Cunningham emphasised that the 1947 report by the Committee of Privileges had clearly stated that it would be wrong to use the termination of sponsorship as a threat to an elected member of the proper discharge of his duties.

The applause from both

sides of the House when Mr. Cunningham stressed that Mr. Joe Gormley, the national president of the NUM, was not only not associated with Mr. Scargill's remarks but had disengaged himself and the union nationally from them.

Mr. Gormley declared: "The stark unpalatable fact is that this

Government is facing a short-term crisis of terrifying proportions. It is simple lunacy to add

to these short-term problems by embarking on these extravagant proposals which can only make the solutions of these problems infinitely more difficult."

Mr. Joe Grimstone (Lab. Orkney and Shetland) said it did not make sense to be greatly increasing the Government's borrowing requirements for a highly speculative venture in the North Sea.

Bearing in mind the revenue of hundreds of millions of pounds, an appreciable allowance must be made for compensation.

Mr. Smith made his statement in response to repeated Conservative demands, led by "shadow" Energy Secretary Mr. Patrick Jenkin, for information on the

## We don't keep detainees as hostages, says Rees

NORTHERN IRELAND Secretary, Mr. Mervyn Rees, said in

the Commons yesterday that he was not in business to keep people released may well go back to

detention as hostages for violence. I have to take into account the existing situation in deciding on the speed of release."

The Rev. Ian Paisley (UUU North Antrim) said that Government detention centres were giving the Provisional IRA a safe haven in the community to which they were not entitled.

Mr. Rees replied: "I am sure these centres have played a part in preventing misunderstandings. There were cases where people jumped to conclusions and decided which group had carried out a bombing or a murder."

He said that the IRA ceasefire had brought a "very marked reduction" in Provisional activity, and he hoped the ceasefire would develop. "At the

moment there is violence of a

December 22, 1974, the date of the original ceasefire by the inter-factional and sectarian Provisional IRA, he had

"It is most important to stop 267 detainees. A further 267 detainees had been released by the violence which is balanced more

members. Further releases on the Loyalist side than on the Provisional side.

## Decent

Legal

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THE THROGMORTON TRUST LIMITED  
Interim Revenue Statement

The Board of Directors have pleasure in announcing the unaudited Revenue figures of the Company for the six months ended 31st May, 1975.

	Six months to 31st May 75	Six months to 31st May 74	Year ended 30th November 74
<b>GROSS REVENUE</b>	£ 1,519,533	£ 1,631,231	£ 3,374,776
Less: Administration and Interest	391,649	568,778	1,032,860
<b>AVAILABLE FOR DISTRIBUTION</b>	1,127,886	1,066,463	2,346,916
Less: Taxation	396,991	349,730	792,052
<b>Unappropriated revenue brought forward</b>	730,895	716,723	1,554,884
	780,293	576,127	576,127
<b>AVAILABLE FOR ORDINARY DIVIDEND</b>	£ 1,521,190	£ 1,292,850	£ 2,130,991
Less: Preference dividend	38,082	36,750	76,125
<b>AVAILABLE FOR ORDINARY DIVIDEND</b>	£ 1,483,128	£ 1,256,100	£ 2,054,868
<b>EARNINGS PER SHARE</b>	1.86p	1.82p	3.97p
<b>ORDINARY DIVIDENDS</b>			
Interim 5.0% (1974-5.0%)	465,805	465,805	465,805
Final — (1974-0.25%)			361,739
<b>Unappropriated revenue carried forward</b>	£ 1,017,323	£ 790,295	£ 727,322
<b>NET ASSET VALUE PER SHARE</b>	48.87p	56.59p	35.74p

N.B.—1. The net asset value allows for full conversion of the 8½% convertible unsecured loan stock and values prior charges at middle market price.

2. At a meeting of the Board of Directors held June 25 it was resolved that an interim dividend of 5.0% (1974-5.0%) be paid on 8th August, 1975 in respect of the year to 30th November, 1975, to shareholders on the register as at 18th July, 1975.

## CSR Limited.

The second largest

Australian owned

listed company.

CSR Limited, formerly The Colonial Sugar Refining Co. Limited, had its highest profit on record in the year ended 31st March 1975—\$A36.8 million. (US\$49.3 million.)

CSR's main interests are:

## Sugar

CSR refines almost all of Australia's domestic sugar and makes about one-third of its raw sugar. The CSR Group refines and distributes all of New Zealand's refined sugar. In 1975 this means a production of about 760,000 tonnes of refined sugar (including New Zealand) and about 900,000 tonnes of raw sugar.

As agent for the Queensland Government, CSR markets all of Australia's exports of raw sugar—about 2 million tonnes.

## Building and construction materials

CSR is one of Australia's largest manufacturers of building and construction materials, making a wide range of wallboards, flooring materials, insulation products, and roofing materials. CSR also has substantial interests in the manufacture of cement and ready mixed concrete.

## Mining

CSR subsidiary, Pilbara Iron Limited, has a 30% interest in the Mt. Newman iron ore project which has an annual capacity of 35 million tonnes of iron ore, soon to be 40 million tonnes.

Another subsidiary of CSR has a 30% interest in the Gove bauxite and alumina project. CSR also has interests in coal and copper.

CSR has been in business since 1865. It is a strong and diversified company, well placed to take a leading position in Australia's future growth.

CSR 100Connell Street, Sydney, Australia.

\*Exchange rate: 23/6/75 \$A1=US\$1.34.

**THE RUBBER GROWERS' ASSOCIATION**  
MARGINAL PROFITABILITY FOR PLANTATIONS  
SUPPORT FOR RUBBER PRICE RATIONALISATION  
MR. J. K. BARLOW'S COMMENTS

The Annual General Meeting it has ever been in the second half of this century. There is, on Limited was held on June of course, a correlation in price in London. on world markets between Mr. J. K. Barlow (the Chair- natural rubbers and their sys- tem) presided and, in the thetic counterparts, with the course of his speech said: My latter being usually somewhat edessor last year was able the more expensive: now that remark with pleasure that synthetic prices are likely to stay at historically high levels it is reasonable to suppose that an joying selling prices for rubber and palm oil which though not beyond the dreams avarice were decidedly satis- tory. Unfortunately, this state euphoria was, as it is all too often and particularly when one dealing in commodities, relatively short-lived and so, spite continued inflation and therefore diminution in real values, quoted prices also showed decline from the peaks reached 1973/4.

**Rubber Price Stabilisation**  
There has long been a feeling among producers and consumers that the natural rubber industry and the palm oil industry in common with other basic commodities would benefit from a system which would have the effect of stabilising prices. One to come. Nor is the world economic situation any brighter, for the developed countries of the western world have their own problems and, as always, the car industry is one of the first to be hit by financial and economic blizzards. I am confident that the natural rubber industry will weather this storm as it has done so many others, but I cannot hold out hopes that the so prosperous days of 1973 and 1974 will be repeated in the near future.

**Heavy Duty Burden on Palm Oil**

When one looks at the other major plantation crop in which Association members are most interested—the oil palm—the situation is also somewhat bleak. The unexpectedly high prices obtained in 1973 have, as was inevitable, vanished and although the resultant fall may have been slightly excessive it remains true that the prices of many of the competing oils are still comparable below that of palm oil.

However, the selling price of the commodity is not the only factor dictating the profit obtainable, for production costs and rates of return must also be taken into account. The former have increased as a direct result of inflation in both the producing and consumer countries, while in Malaysia, the largest producer in the world, duty rates have reached a point which can almost be described as penal. This is the unlooked-for result of the application of a system of collection designed for an entirely different set of circumstances, and the point has been, and is currently being, taken up with the appropriate authorities.

I am sure we will get a sympathetic hearing from a Government which has shown on numerous occasions a real appreciation that the welfare of the industry reflects directly on the welfare of the country.

I would, not only in this connection but in the most general of terms, like to take this opportunity of extending the congratulations of the Association to Datuk Musa Hitam upon his appointment to the vital post of Minister of Primary Industries. During Datuk Musa's recent visit to the U.K. the Association took the opportunity to assure the Minister of the Association's continued support for the policy of his government which is aimed at improving the role of Malaysians and especially "bumiputras" in the economy of the country. This is a natural and understandable desire, and we have all been very happily impressed by the Government's approach of cautious implementation over a period of time: I therefore sincerely trust that the Government policy so carefully thought out and clearly designed will be allowed to reach fruition without any of the undue haste which is so often a feature of modern life. Under such sensible provisions foreign investment can continue to help support a strong and stable Government in Malaysia which is so necessary in view of the recent dramatic change in the balance of power on the Indo-China land-mass.

The Chairman concluded his statement by paying tribute to the work by his colleagues on the Council and Committees of the Association, by Tan Sri Sir Claude Fenner in Malaysia and Mr. Eyles and the secretarial staff in London, and welcomed the new Director, Mr. Stevenson, the competitive position of the natural rubber more secure than plantation industry.

**LABOUR NEWS**

**Engineering unions back 'substantial' rise for 2½m. output**

BY CHRISTIAN TYLER, LABOUR STAFF

A PAY CLAIM affecting 2.5m. engineering workers was launched yesterday in conflict over the crunch point has not been reached and the proposal for flat-rate rises included in a six-point discussion plan agreed by the TUC General Council only 24 hours before.

The Confederation of Shipbuilding and Engineering Unions at its annual conference here took only five minutes to adopt a resolution from the Amalgamated Union of Engineering Workers called for "a substantial increase" in the national rate for skilled workers in shipbuilding and engineering.

But the resolution, moved by Mr. Hugh Scanlon, president of the AUEW and chief negotiator for the industry, also commits the union to seeking to increase the rate for unskilled men.

Mr. Scanlon agreed afterwards that if the TUC finally settled on the flat-rate scheme yesterday's claim would be in conflict with it. But he stressed that the TUC's anti-inflation guidelines were far from fixed yet.

At Tuesday's meeting of the General Council Mr. Scanlon voted against the adoption of the guidelines, in accordance with his union's decision last week to reject any form of social contract.

Yesterday the Transport and General Workers' Union delegates, whose general secretary,

the only minimum rates, hours and conditions. Subsequent plant-level bargaining determines actual earnings for the great majority already far higher than the £42-a-week rate negotiated.

But yesterday Mr. Scanlon said it was time to lift the national plant-level bargaining, which should continue to have missed that by being in London for the General Council.

Later the confederation backed a demand for a 35-hour week after Mr. Moss Evans, national organiser of the TGWU, said that a shorter working week

should be adopted by all unions to keep pace with rising unemployment.

"Who can tell what will happen as a result of yesterday's discussions with the Government," he said.

**Gas industry staff reject 25% pay offer**

BY OUR LABOUR REPORTER

**9,000 call off Triumph strike**

BY OUR MIDLANDS CORRESPONDENT

BRITISH LEYLAND breathed more easily after 8,000 Triumph workers at Coventry agreed yesterday to withdraw notice of a strike due to start on Monday and to accept an improved offer for the new contract beginning on July 1.

However, it is not yet out of the wood, for a pay strike at a components subsidiary, Alford and Alder, Hemel Hempstead, which supplies front suspensions and other items, has already caused 1,000 to be laid off at the Liverpool plant, making sports cars and saloon bodies for final assembly at Coventry. Unless it is settled, thousands more Triumph workers could be laid off.

The Triumph pay dispute was disposed of after two days of discussions at Hastings between management and shop stewards. The men have accepted an extra 50p on top of the £6 offer, plus a lump sum payment of accepting completely a day rate system and eliminating bonus payments.

In addition, discussions are to be held on improvements to fringe benefits including holiday injury entitlements.

The annual conference of the Confederation of Shipbuilding and Engineering Unions has been used to try to resolve the associated Rover pay dispute, over which seven Midlands and two Cardiff plants employing about 10,000 last week staged a three-day strike.

Rover's workers are expected to meet today to hear details of their improved pay offer believed to be worth between 10p and 50p a week on top of £6 interim payment already being reviewed plus an extra 30p a week at the bottom end to bring it into line with the Triumph offer.

Additionally, Rover workers are being offered a lump sum payment of £60.

**Bonus for workers who refused rise**

NEARLY 300 knitwear workers who six months ago turned down the offer of higher pay to help their companies out of cost crisis, are to share in a bonus pay-out of more than £10,000 to-day.

After learning of the cash problems facing Checkmate Fashions and Exonette Fashions at Leicester, the staff decided to help by imposing the voluntary wage freeze.

It helped the companies to keep their prices competitive and to win new business and to avoid short time working which is general throughout the knitwear industry.

Mr. Steven Olsberg, managing director of Checkmate, said: "The sacrifice our work force made enabled us to keep our prices fully competitive in spite of continually spiralling outside costs."

"The employees have more than made up for their lost pay rise and things look good for the future as well."

**400 allege 'victimisation' at hospital**

FOUR HUNDRED ancillary workers at Harrowton Hospital, Swansay, went on strike yesterday in protest at the alleged "victimisation" of a shop steward.

The strike is in support of demands for an independent inquiry into the treatment of Mr. Len Price, 26, National Union of Public Employees branch steward at the hospital, who led a strike early this year over pay beds.

Mr. Price, a doorman at the hospital, claims he is "lined up for dismissal". He says the authority has refused to pay him for days he was off sick and on holiday and for overtime. He says he has lost between £50 and £60 and considers the authority's action amounts to a fine.

**Miners press for 'flexible' output targets**

BY OUR LABOUR REPORTER

THE NATIONAL Union of Miners is to press for more "flexible" output targets after recent production figures which show that Britain's miners have not dug enough coal to earn them a bonus for the next three months.

The social contract was not

the only speaker on the resolution, said the previous day's debate on a motion rejecting Government interference with free collective bargaining.

Miners have been paid a £2.90 a week production bonus based on their output during the first quarter of the year but this runs out at the end of this week and will not be replaced by any new bonus because targets have not been reached.

Mr. Joe Gormley, NUM president, told the NCB yesterday that the 29.87m. ton coal target for the quarter ending this month did not properly allow for miners taking more of their statutory rest days during the summer.

Mr. Gormley will press for a lower target for the next quarter when he meets the NCB next week but management may well argue that the root of the problem lies in absenteeism.

In a pamphlet "Telecommunications Today and Tomorrow" released at the conference, the union repeated its call for a complete separation of production and distribution of radio and TV programmes.

The proposed National Enterprise Board might also offer a solution by helping the P.O. in conjunction with the Government, to obtain some representation on the Boards of the private

**Expand Post Office role, says union**

BY LORELIES OSLAGER, LABOUR STAFF

THE POST Office Engineering Union yesterday called for the integrated system for the future with a warning to the Government not to extend the much-vaunted cuts in public expenditure to the telecommunications sector. Unless the investments necessary for an advanced, single band system were made now and in the next few years to come, Britain would

end up with a third-rate system which in turn would impede economic development.

Mr. Stanley claimed that the P.O. had already made certain decisions for the electronic system to be introduced in the future, some named as the "D" and "G" systems. These are designed to make public now so that providers and consumers could make their plans accordingly.

It was necessary and logical for the P.O. to be in charge of setting up the integrated system if costly fragmentation and duplication of private and public effort was to be avoided.

In a pamphlet "Telecommunications Today and Tomorrow" released at the conference, the union repeated its call for a complete separation of production and distribution of radio and TV programmes.

The P.O. should be given total responsibility for distribution from the moment a signal left the studio.

**Talks on council workers' award**

BY OUR LABOUR CORRESPONDENT

LOCAL AUTHORITY employers and leaders of their 1m. manual workers meet to-day to consider a compromise arbitration award set up by the tribunal headed by Professor Rodney Crossley of Leeds University, has awarded increases of between 80p a week and £1.20 but these cover only grades "D" and "G".

However the award, which will cost £100m. for the remainder of the year, falls far short of what has been arranged for July 1 when apart from pressing for if a satisfactory offer is not

NALGO may renew its demand for improved service and redundancy provisions.

Last night Mr. Charles Donnet, national officer of the General and Municipal Workers' Union and secretary of the union negotiators, said that while he was disappointed the tribunal had not met their entire claim for a week and adding £25m. to the wages bill in a full year.

About 268,000 full-time and 100,000 part-time workers are covered by the award which is payable from July 1 and which is 400,000 local government white collar workers meet in London to consider a 20 per cent. pay increase ranging from 88p to £3.29 for 35 per cent. increases.

All of these bonds having been placed, this announcement appears for purposes of record only.

**INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT Washington, D.C.**

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8 1/4% Deutsche Mark Bonds of 1975, due 1983**

Interest: 8 1/4% p. a., payable on July 1 of each year  
Redemption: on July 1, 1983 at par  
Issue Price: 100%

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**Trinkaus & Burkhardt**

**Westdeutsche Landesbank**  
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**Württembergische Landeskommunalbank**  
—Girozentrale—







## WIMBLEDON TENNIS

## Connors overwhelms Cox

ON ANOTHER scorching day they came in their thousands, making their pilgrimage to the Mecca of tennis. By four o'clock it was estimated that the queues forming outside the ground would have a two-hour wait ahead of them, while several inside were overcome by the heat.

On the centre court the temperature of Jimmy Connors' dynamic game matched the temperature of the afternoon. Playing against Britain's No. 1, Mark Cox, the reigning champion was in red-hot form.

## New status

Connors has a new status in the world game as a finalist in the WCT circuit in Dallas last May. He is faster, fitter and more confident than ever before. With a new belief in his ability born of some punishing practice sessions with the Australian Rod Laver in Las Vegas recently, Cox must have given himself a chance of winning yesterday.

However, the champion was ready to dispense any threat to his supremacy and broke Cox early on in the third game of the first set and again in the third game of the second. That was all the advantage he needed for he was now into top gear and mixing touch shots with the power as he demonstrated with some telling lobs, many struck with top spin, that stranded the Briton in the forecourt.

Having lost the opening set 6-4 and suffered a cruel net cord against him that dropped dead, Cox became very agitated. He even thumped the net with his racket to indicate that it was not tight enough. Never one to miss a trick, Connors too touched the net affectionately while Cox replied by giving the net handle a turn or two.

Connors measured his victory 6-4, 6-2, 6-2 and as usual it was funded on punishing returns of service. Cox was even forced to stay back on his second service in fear of being passed and the problem of dealing with Connors in this mood because acute when his final rallies from the base line ended inevitably with a Connors winner. Obviously, the champion seems to be hitting the ball as hard as he did last year and it is astonishing how few errors he

makes, even without much controlling spin, when he is in full flow.

The nightmare for the server is to hit a first volley at all for the return is back at his feet around the service line travelling at such speed, a million miles an hour, that the Connors projectiles seem to defy the laws of ballistics.

In fact to force a weak return from the champion, Cox needed to serve in a very high percentage of first deliveries, and keep them deep, a task which the day he was unable to achieve.

The opening match on Court 1 involved the No. 8 seed, Raul Ramirez (Mexico) against the Italian No. 1, Adriano Panatta, who had come, like Barazzutti, to Tuesday, footloose from Paris after narrowly failing to beat France in a Davis Cup match.

Panatta, in fact, had lost both singles in that match, which it itself must have sapped his confidence, and the fact that he had no practice on grass suggested that he would be polished off without delay.

However, as it turned out, he had every chance to win. Even in the first set, which he lost 6-4, on one lost service game in the third game of the second. That

was all the advantage he needed for he was now into top gear and mixing touch shots with the power as he demonstrated with some telling lobs, many struck with top spin, that stranded the Briton in the forecourt.

On each occasion he failed to get the ball into court and this was the story of the match. Time and again he would create chances with some wonderful play, full of artistic touches, to square the leads with carefree errors.

## Rocklike

Ramirez, by contrast, was rock-like on the big points—an attribute which we have seen in him before, even on unfamiliar grass, as when he finished in third position in the Commercial Union Masters tournament in Melbourne last December.

If there was one shot which won the match for the Mexican it was the lob, which, on at least seven occasions, forced Panatta to make weak returns to the net here to say that he will be hit away into the openings. The that we might have another of the second set was eroded as a feature of this year's Wimbled

Ramirez won five successive games. On court 3 Borg had

games to take the set in just 42 one of those disastrous starts

BY JOHN BARRETT



## KLÖCKNER-WERKE AG., Duisburg, Germany (Iron and Steel, Engineering)

## STRONG WORLD STEEL MARKETS IMPROVE PAST YEAR'S RESULTS

The Annual General Meeting of KLÖCKNER-WERKE AG. while important contracts were secured for pressure vessels and components for nuclear power projects and oil drilling rigs.

KLÖCKNER-WERKE increased rolled steel shipments by 5.6 per cent, wholly due to earlier deliveries which rose by nearly 40 per cent. Overall, however, the order intake fell by 8 per cent from the previous year's high level. The hot rolling mill increased sales by 10 per cent, and the processing divisions' sales improved by about 3 per cent. The home market for the plant's products showed increasing weakness in the second half of the trading year.

Vereinigte Drahtindustrie, in which KLÖCKNER-WERKE holds a 50 per cent share, produced in 1974 15 per cent less wire and wire products than in the preceding year, wholly due to the continuing decline in sales of structural steel netting. Turnover, however, improved by 13.3 per cent reflecting the improved price levels; the export share of sales climbed to 28 per cent, from 20 per cent previously.

Klöckner-Ferromatik's turnover went up by 25 per cent over the previous year, with coal mining equipment accounting for two thirds of sales. Foreign business expanded vigorously in volume and value, reaching 29 per cent of total turnover. Ferromatik took over a factory from Hassia Verpackung AG, giving it entry into the packaging machinery sector.

The South African associate had excellent business in gold and coal mining equipment and the U.S. associate's mining equipment business also progressed well. Klöckner Ferroform was in 1973/74 increasingly engaged on large interior fitting projects, but suffered from the weakening of the construction market, thus necessitating organisational improvements.

Klöckner Jonon sharply increased its sales of complete ionising plant and in contract work offset the declining turnover with car manufacturers by larger orders from the machine construction sector. Nippon Jonon, founded jointly with Suzuki Motor Company in Japan, was also successful in selling its first ionising installations.

## Other Product Sectors

In the quarry product sector, Klöckner Duratit enjoyed satisfactory employment in all divisions except for prefabricated construction components, which were affected by the recession in the construction industry. An expansion was achieved in turnkey construction projects, notably for public authorities.

The large Raureif power station produced about 1,150m. kWh or 290m. kWh less than in the preceding year, mainly owing to reduced sales to contractual consumers.

In the plastics sector, Klöckner-Pentoplast's business was heavily influenced by the oil crisis. A very large order book for flat accumulated as a result of processors' anticipation of shortages, leading to improved productivity and a considerable sales growth. Export business expanded above average and new markets were won in the Far East and in Eastern Europe.

Contract packaging facilities in Germany and abroad were taken over from Hassia Verpackung AG.

After the first six months of the business year, Mannesmann-Werke recorded a steeper increase in sales of new improved section systems for window construction, especially those made of hard PVC.

Klöckner-Dorcy continued to conduct satisfactory business, especially expanding sales of transmission shaft seals for the car industry and of O rings.

## Investments

The additions to fixed assets made by KLÖCKNER-WERKE AG in the 1973/74 trading year totalled DM 222m.; depreciations amounted to DM 161m. Thus, total capital investments since 1969/70 come to about DM 1,500m. Measures taken at the beginning of the year under review to eliminate bottlenecks at Hütte Bremen are designed to expand production facilities in the flat steel sector to a capacity of 3.5m. tons of crude steel per year, corresponding to 5m. tons of rolled steel.

The new 100-ton high performance electric furnace at Osnabrück and the associated foundry installation were commissioned according to plan in May 1974.

In the section steel processing at Mannesmann-Werke, Troisdorf, engineering capacity was raised to cope with the sharp rise in demand for lorry wheel rims. Investments were also made in the special section hot rolling mill to improve the productivity of the combined heavy and medium plate line.

## Results and Prospects

Owing to the high demand for steel, especially for export, and the substantial increase in production the trading results for 1973/74 showed a marked improvement over the previous year. The section steel and manufacturing divisions performed satisfactorily overall, although the slack capital investment activity in Germany affected some product sales. While in the previous years the dividend distribution had to be financed from non-trading sources, in the year under review current business showed an improvement of some DM 40m. and therefore made a major contribution to profits.

In the first half of the current business year, KLÖCKNER-WERKE booked 21 per cent fewer orders for rolled steel than in the same period a year before. Rolled steel production had to be cut by about 5 per cent. The manufacturing sector, however, is showing more resilience and can be expected to make a greater contribution to the year's results.

In the steel sector turnover remained in the first six months of the current year at about the previous year's level, while in the manufacturing divisions it climbed by 5 per cent. Although the general recession, notably in rolled steel, and the continuing cost inflation will adversely affect the present year's final figures, the longer term prospects for the steel industry remain favourable. Apart from strengthening its position in steel markets, KLÖCKNER-WERKE's strategy will centre on expansion in the manufacturing field, including machinery construction, plastics processing and products for the energy sector.

## Profit and Dividend

Net profit for 1973/74, including the balance brought forward from the previous year, came to DM 21,260,941. It was accordingly proposed to distribute an unchanged dividend of 6 per cent on the capital of DM 347m. equivalent to DM 20,820,000, and to carry forward the resulting balance of DM 440,941.

The report, the accounts and the proposals put forward by the Board were adopted.

## Supervisory Board (Aufsichtsrat)

Dr. Franz Meyers, Mönchengladbach, Chairman; Hans Murr, Dreieichenhain nr. Frankfurt, 1st Deputy Chairman; Dr. Alfred Hertha, Dortmund-Gartenstadt, 2nd Deputy Chairman, and 18 members.

## Board of Management (Vorstand)

Dr. Herbert Gienow, Hösel, Chairman; Professor Dr.-Ing. Ludwig von Bogdandy, Oberhausen-Sterkrade; Günter Feiler, Hagen; Dr. Joachim Harms, (Ruhr)-Speldorf; Dr.-Ing. Josef Mennen, Miersbusch; Karl Stukovic, Essen-Bredeney; Hans-Jörg Siedler, Düsseldorf, Chairman up to September, 30, 1974.



THE B. ELLIOTT GROUP

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Mr. J. Frye, C.B.E., Chairman, reports

## Results and final dividend for the year ended 31st March 1975

	31.3.75	31.3.74
Gross Sales	£'000	£'000
External Sales	50,375	36,248
Profit before tax	45,863	33,436
Tax	4,296	2,326
Profit after tax	2,058	1,151
Minority interests	583	350
Group profit for the year	1,655	825
Earnings per 25p share	16.96p	8.38p
Dividends per 25p share	3.625p	3.343p

## RESULTS

Further growth to record sales and profits. Expanding overseas markets and increased exports.

## FINANCIAL

Satisfactory liquidity to meet any increased investment by the engineering industry. Shareholders' funds have increased by £1,247,000.

## DIVIDEND

Final 1.95p per share, making 3.625p per share for the year.

## FUTURE

Expectations are for another good year though not matching last year's record achievement.



The B. Elliott Group Co. Limited  
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## Rugby clubs to discuss league plan

NINETEEN LEADING Rugby clubs in England and Wales will meet in Bristol next month to discuss the formation of a league, following a suggestion by Mr. Alf Wyman, Coventry's match secretary.

The plan envisages a league of clubs situated within a 120-mile radius of Bristol. They will play 21 matches each season based on their current fixture list and the leading eight in the league table at the end of the season will then compete in a knock-out competition.

## SE SWIMMING RACE

The Stock Exchange Swimming Club quarter-mile race held in the Serpentine was won by G. D. Fairlie-Clarke of Michael Montgomery, who was second and I. Russell De Zoet and Bevan third. The winning women were T. Galles of Duff Stoop and Mrs. S. Berry of Hedderwick Borthwick was second.

## GLASGOW TO BUILD SWIMMING POOLS

Two new swimming pools costing £200,000 each are to be built for Glasgow District Council. Morrison, Dunbar has won a £245,000 contract to build one of the pools at Drumchapel and the other at Caslemilk district basins at the CWS at a cost of £248,345.

## BANK RETURN

Wednesday, June 25, 1975  
for week

## BANKING DEPARTMENT

Liabilities £ £  
Capital 12,555,000 12,555,000  
Public Deposits 22,481,270 22,481,270  
Bankers 96,150,000 96,150,000  
Reserves & Other 350,076,025 32,615,355  
448,657,901 + 15,456,903

1,303,625,796 + 65,159,245

## ASSETS

Govt. Securities & Other 1,356,027,559 + 84,205,000  
A/c. 287,932,161 + 31,451,929  
Premises, Equipment & other 15,619,854 + 13,356,105  
Notes Receivable 96,504,504 + 3,363  
Cash 1,503,622,796 + 65,159,245

## ISSUE DEPARTMENT

Liabilities £ £  
Notes Issued 5,100,000,000 5,100,000,000  
in Circulation 5,100,000,000 + 15,935,105  
in Bank a/c 15,619,854 + 13,356,105  
ASSETS  
Govt. Debt 11,018,100  
Other Govt. Secs. 5,120,413,267 + 15,200,007  
Other Securities 522,532,636 + 15,200,008  
5,700,000,000

BALANCE SHEET AT SEPTEMBER 30, 1974		ASSETS DM
I. Share Capital	347,000,000	
II. General Reserve Fund	59,507,240	
III. Statutory Reserve	170,000,000	
IV. Voluntary Reserve	229,507,240	
V. Appropriation to Reserves under section 7 of the Income-Tax Law	65,696,621	
VI. Peter Klöckner Trust	1,000,000	
VII. Current Assets	5,253,000	
A. Special Reserves		
B. Current Assets		
I. Inventories	169,000,000	
II. Prepaid Maintenance	3,500,000	
III. Others	156,336,007	
C. Current Liabilities	350,018,407	
I. Trade Payables	874,303,257	
II. Accrued Expenses	78,172,571	
III. Bills of Exchange	79,388,112	
IV. Bank Advances	20,000,000	
V. Current Tax Payable</td		

## APPOINTMENTS

## Managing Director

for a group of subsidiaries in general and precision engineering with a turnover in excess of £3 million. The companies form a profitable division offering potential for profitable growth within a holding group based in Sheffield.

• RESPONSIBILITY is to the Group Chief Executive for the continued expansion of the division in both UK and overseas markets. Success will lead to the main board.

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Applications are invited from candidates with suitable background and experience and terms and conditions are negotiable accordingly.

Please reply to Box A.5108, Financial Times, 10, Cannon Street, EC4P 4BY.

## NATIONAL INSTITUTE OF AGRICULTURAL BOTANY

## APPOINTMENT OF ACCOUNTANT

A Chartered, Certified or Cost Accountant required to head the Finance Section of the Institute. A knowledge of machine accounting desirable and costing experience essential.

Salary £4,900-£5,900

Non-contributory superannuation scheme.  
Further details and application form from the  
Establishments Officer, NIAB,  
Huntingdon Road, Cambridge CB3 0LE.

## CHIEF FINANCIAL OFFICER

Accountant required by insurance subsidiary of U.S. Company. Responsibilities include but not limited to preparation of management accounts, overseeing accounting department, data processing, government returns, taxation, investment analysis, pension fund supervision. Possible European expansion. A.C.A. essential and minimum of 3 years insurance company experience helpful. £5,000. Please send in confidence to Box A.5105, Financial Times, 10, Cannon Street, EC4P 4BY.

## COMPANY NOTICES

BLUMEL BROS. LIMITED  
NOTICE IS HEREBY GIVEN that the  
Share Transfer Register will be closed on 21st July 1975, for  
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## NORTH SEA OIL REVIEW

## In the hands of the Government

THE GOVERNMENT has virtually completed its preliminary round of discussions on detailed proposals for participation in unworkable quite apart from the for the risk involved. This is whether the Government is now quite studying the figures. As in the P.R.T. negotiations earlier in the year, the really hard negotiations may only just be beginning and it may take some time to get them to the sticking point, even before the Government tackles the major "hold-out" groups, like Shell/Esso, which are currently standing aside.

In an atmosphere where the return concept originally menu-concepts of repayment from the new "open Government" policy chosen by the Government in National Oil Account contained of the Prime Minister in this discussions. The result is some in the discussion paper, and case means an instruction to the uncertainty in the industry as whether the oil companies will companies not to talk to whether it is simply a "try accept them. For some Press, the answer to both these on for negotiating purposes or parties, particularly the smaller companies is still somewhat something much more funds. Independents, the answer would be vague. On the first, it does look mortal in the Government's seem to be yes. But for other companies the answer could be as if the details of the participation proposals have turned out: At the same time, companies no. One major, at least, is to be far less generous than the also seem to be concerned about thought to have prepared coun-

hardly limited to the banker's firmly committed to the basic P.R.T. negotiations earlier in the year, the really hard negotiations may only just be beginning and it may take some time to get them to the sticking point, even before the Government tackles the major "hold-out" groups, like Shell/Esso, which are currently standing aside.

Whether the same can be said of the other major political issue overhanging the U.K. North Sea—the Government's proposals for direct Departmental control, contained in the Petroleum and Submarine Pipelines Bill—is another question. Although the Bill has not raised much outside comment, there can be no doubt that many oil companies take a distinctly jaundiced view of some of its detailed proposals, particularly as they concern the rights of administrative direction on depletion and common-carrier pipelines as well as exploration investment.

## Objections



Mr. Harold Lever (left), economic adviser to the Prime Minister, and Mr. Alastair Down (right), chairman of Burmah Oil, have both said that detailed negotiations over participation are now in progress.

## Provisional

Despite recent statements by both Mr. Alastair Down of Burmah and Mr. Harold Lever of the Government that detailed negotiations are now in progress, however, the talks still appear to be very provisional—at official rather than ministerial level and without hard deadlines being imposed on the main participants.

So far, indeed, most companies appear to have seen the Government's paper setting out a theoretical example of how participation at no loss to the companies might be achieved, but not to have made any response to the Government. Most, too, appear to have raised questions about the calculations which the Department of Energy itself has yet to to answer.

In this curious situation when the ball hovers uncertainly between both courts, two main questions have still to be answered. First, how responsive are the companies to the proposals in detail. Second, will they accept the basic concept

broad offer of a no loss financial proposal on which they are crucial question for a tax-efficient and simpler approach, to be based would imply.

The discussion document sets out a broad scheme of payments schedules are formally an after-feel to be under which the Government tax payment, the way in which doubtful.

They are paid obviously raises' Reports in the industry suggest that the Government so far would join in an oil development around half way through the question of whether they get that the Government has responded fairly well to its development phase and make will be regarded as such by the compensation payments from the tax authorities. In the U.K., counter proposals and that it is start of income through the there appear to be problems willing to negotiate along

main life of the field. The pay-over what the repayments can ferment lines from its own suggestions would be based on a 51 per cent set against in the way of ex-gessions. But the debate is still per cent net income to the company projected from its remaining limits of off-shore operations. Mr. Anthony Wedgwood Benn is 49 per cent income after More important from the point which still heads the reviewing tax. From the repayment figure of view of the U.S. companies, committee on the participation would be deducted various sums there are questions about talks although he has been to give the Government a return which, because of the 51 per cent specifically excluded from the for the risk, etc., involved in cost. State participation the possibility of the talks themselves its capital contribution. Income will come within the cannot be easily assessed.

It is these deductions which U.S. concept of trade in which in these circumstances, it is appear, from general gossip in companies have an "economic debatable whether the Government the industry, to have raised interest." Discussions with both men can achieve the progress most objections. On the face of the U.K. and U.S. revenue in the talks which it had the Government appears to authorities are now starting, initially hoped for. While cer-

per cent uplift on its capital easily obtained where differ to tighten up, most notably contribution (on the lines of interest between Govt with those companies like possibly on the Third Reading, are concerned.

Flixborough  
'shows need  
of insurance  
rethink'

By Ray Dafer

THE INSURANCE market, which had to pay out an estimated £36m. fire and accident damage following the Flixborough chemical works explosion last year, should improve its rating system for chemical operations, according to a report published yesterday.

In the past, acceptance and rating of risks in chemical plants have not been sufficiently technical and have "tended towards the rule of thumb," according to Dr. Harry Taylor, a director of Keith Shipton Development risk management consultants.

Dr. Taylor has prepared a report on the implications for management of the Flixborough disaster in which 28 people lost their lives. He points out that if the disaster had occurred on a week-day, instead of a Saturday, 300 people—including the management—could have been killed.

The insurance claim was the biggest of its kind to be faced by the insurance industry. Insurers will have to improve their technical resources to enable adequate assessments to be made," says Dr. Taylor.

"It is surely not good enough when the only protection capable of earning a significant premium reduction remains the sprinkler installation—even in areas where the main hazard is explosion and water could be dangerous.

## Average plant

"A rating system more attuned to risk could provide a potent incentive to better protective measures."

The report points out that before the disaster the Flixborough complex was regarded by insurers as a "perfectly average petrochemicals plant."

Inflation and material shortages also had profound implications for business interruption cover. As a result sums insured needed to be constantly revised and the indemnity periods needed to be aligned with the supply situation.

The loss of the nylon 6 intermediate material—caprolactam—following the Nypro explosion has had repercussions on the trade of a large number of companies, it is pointed out.

The report ranges much wider than insurance considerations, however. It is emphasised that companies should pay meticulous attention to technical detail and that they should implement organised risk management control systems.

At the same time management should be aware of and prepared for the worst possible disaster that could overtake their company. Disaster planning should include procedures for dealing with varied problems, from the need for the fastest possible evacuation of personnel from the site to the restoration of production to reduce the possible loss of markets.

Flixborough — The Implications for Management; H. D. Taylor; Woodhead-Faulkner, 7 Rose Crescent, Cambridge; £1.50 plus 25p p and p.

This announcement appears as a matter of record only.

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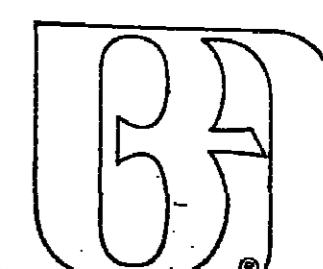
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# FINANCIAL TIMES REPORT

Friday June 27 1975

## BUSES AND COACHES

Despite a variety of trials and tribulations including rising fuel prices, inflation and manufacturing problems, Britain's bus and coach industry remains strong. There are a number of new developments under way, including work on an electric bus.

**DESPITE THE** impressive—and climate, and running a number which represented an attempt extremely erratic. There are orders of about 3,000. On single are being built-up by Metro—the shortfall in BL supplies (if Leyland National has recovered unique—history of large scale of unprofitable routes which, in to standardise on rear-engined cases where the local authority deckers it is in a better position to meet demand, with Birmingham to produce 1,600 Fleetline buses it ordered is now finding a market inside bus manufacturing and operations of social need, no-one vehicles. The result has been a bus ordered buses, cancelled then ordered them for the Leyland National, and the EEC countries, notably

disturbing, trickle of imports—them because of budget cut-installed capacity of some 2,000 Metropolitan bus, and the so-called Alfa Volvos are being local authorities to turn to the Leyland National, and manufactured in Scotland, foreign products. It has ordered 164 Metropolitans, mainly it develop into a sizeable stream again: they cannot be surprised, about 1,000 for coaches. In the Ryder Report on—plus a great deal of interest says BL, if the company has in shown by some other major the meantime sold its product British Leyland this supply motor manufacturers in the tions overseas rather than have demand problem is recognised. Recently Dennis Motors, the small Guildford-based special says on an experimental basis paying particular attention to quality improvement and standards of comfort, which will help possibility of going into chassis money sitting around in "We recommend . . . that the Department of Environment deck chassis business, and

which attracts almost universal back, or more subsidies be introduced. NBC's domination of the operational side of the industry is mirrored by British Leyland's enormous influence on the manufacturing front. Unfair price structure it has allowed to develop.

That all this should happen in the wake of the oil crisis is ironic. Many saw the rapid increases in oil prices last year as a watershed for the bus industry which, it was argued, would recover at the expense of the private car. In fact, of course, such historic changes take a long time to work through, even if the argument is soundly based. And in the meantime the industry has been faced with all the problems of acute inflation which the new oil prices have largely caused.

On the operational side, the vehicles, the Atlantean and the country's (and probably the world's) largest concern, the value of a bus or coach—often 20,000 vehicle, 70,000-man more than half—is in the body.

National Bus Company, has suffered an extremely unhappy year. For the first time since it came into being, it made a loss, and running gear) inevitably plunging from an operating surplus of £2.6m. in 1973 to a large deficit of £11.7m.

NBC is caught in something of a cleft stick, obliged by the provoked considerable antagonism of the local authorities—terms of its establishment to ism among customers, and in break even, yet with its prices addition many dislike the Atlantean design, called—has, says BL

announced that it is partly due to the introduction of one-man buses. When Leyland National was formed as a joint company half-owned by better co-ordination between the industry is a matter of intense argument. BL and half by the NBC, the bus operators and BL to phase

These difficulties have been shouid as a matter of urgency by Fodens. These challenges to BL's double deck monopoly will clearly take some time to develop. Equally, however, they may be relatively permanent: Dennis Motors, for example, which has been revitalised since coming under the wing of the Hestair conglomerate, is aiming to develop a premium bus, using a German Voith three-speed automatic gear box with a sophisticated braking mechanism—brakes are one of the big maintenance problems of the bus business, and it is significant that some transport authorities have attacked BL for the number of hours its vehicles are off the road waiting for maintenance and spare parts.

In the meantime there are a number of new developments going on in the bus field in the wake of the oil crisis. One such is the electric bus, under experiment to-day by three European companies two in the U.K. and one in Germany.

### Monopoly

The problem has been particularly acute on the double decker side of its manufacturing, where BL has a virtual chassis-building monopoly with its two

deckers. At that time, would lead to a situation where the unions were refusing to both sides would be planning to operate double deckers. However, with a great deal of confidence

has been followed by Fodens. These challenges to BL's double deck monopoly will clearly take some time to develop. Equally, however, they may be relatively permanent: Dennis Motors, for example, which has been revitalised since coming under the wing of the Hestair conglomerate, is aiming to develop a premium bus, using a German Voith three-speed automatic gear box with a sophisticated braking mechanism—brakes are one of the big maintenance problems of the bus business, and it is significant that some transport authorities have attacked BL for the number of hours its vehicles are off the road waiting for maintenance and spare parts.

Another, equally important issue is the impact of legislation. There is no doubt that this is getting tougher on questions of safety and the environment throughout Europe and the rest of the world. At the same time legislation will affect bus usage in the great conurbations: both in the U.S. and Europe, local authorities trying to cope with growing traffic problems are tending to legislate in favour of the bus, developing new bus lanes and restrictive parking in an attempt to control the private motorist. In terms of use this will inevitably mean that in the short to medium term buses have a bright future, even if finances continue to come under tight control by the public authorities.

## An unhappy year

By Terry Dodsworth

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London Transport, which has never been able to catch up with demand. Whether this will be enough to stop the importers is another matter. As in heavy trucks, it is the Scandinavian producers who have made the initial breakthrough in the bus market, both Scania and Volvo

have eased its problems. The position to-day is that the sending over double decker of the road waiting for maintenance and spare parts.

## DUPLEX EXPORT SUCCESSES

**1975: Australia, Bermuda, Hong Kong, Kowloon, New Zealand, Nigeria.**

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One of the hundred Duple Dominant Coaches in service with the Kowloon Motor Bus Co.



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## The Executive's World

EDITED BY JAMES ENSOR

Doina Thomas describes OGEM's expansion

# A bridge made from tiles

WHEN CAN you use a roof tile to build a bridge? Answer: when that roof tile is a subsidiary company of an expansionist international trading company. The company in question is the Dutch holding company, OGEM HOLDING, which today, through using roof tiles as bridges has a turnover of approximately £600m. derived from more than 180 subsidiaries in various industries.

The roof tile analogy comes from the explanation of Karel Fibbe, president of its board of management, frequently gives when asked the rationale behind Ogem's acquisition policies; the company likes potential acquisitions to have activities that overlap a little with the activities of existing Ogem subsidiaries. The bridge analogy was developed by deputy president Roelof van Heusden when discussing the latest £180m. acquisition, Lindetevens-Jacoberg, which was completed at the end of May.

This company, which was bid for by Ogem's only quoted subsidiary THV International, has considerable interests in developing countries. "It will give us a bridgehead into the third world," comments van Heusden, adding that Ogem likes its acquisitions to open up bridges into new areas as well as linking into the old.

While a lot of this philosophising could be described as *post hoc* rationalisation, this does not detract from the effectiveness of the early acquisition programme. Over a hundred years old, Ogem was originally a utility company supplying gas and electricity services to the Dutch colonies in the Far East and Latin America. That period of its existence was centralised less than 20 years ago. As with so many companies based on the colonies the choice for the company was relatively simple: it could stay as it was and gradually die or change dramatically to attempt a continued existence.

The decision to aim for a continued existence was taken in 1959 when Ogem (the initials of the Dutch for overseas gas and electricity company) bought a major Dutch electrical contractor, followed about five years later by the purchase of another major contractor in central heating. Acknowledging its ignorance of their markets the company left both severely alone, a policy it presently follows with only minor financial modifications.

But the continued existence of Ogem as a corporate entity, new companies was a strong



Deputy president Roelof van Heusden

albeit drastically different, was factor in determining the way that took place in 1969. Then control of its new and burgeoning company decided to offer a subsidiary. The fact that many of them were family companies, some of its trading subsidiaries often rather stronger for equity in the company concerned, a trading company called Technische Unie which was two-thirds the size of Ogem. The arrangement resulted in slightly more than majority control.

Ogem was spurred to take more active interest in its subsidiaries by a further purchase, some three years after that of TU, of a troubled trading group called Stokvis. It was the first acquisition with problems that Ogem had taken on but was, in due course, successfully sorted out. It was roughly at this time that Ogem's present divisional structure, trading, installation, energy, industrial and the infant construction, began to emerge. (TU and Stokvis became THV International, the trading division.)

The steady pace of acquisitions throughout the 1960's achieved one primary aim of the company, to derive more of its earnings from Europe and to lessen its dependence on its remaining business in Dutch Latin America. In 1974, prior to the merger with Lindetevens-Jacoberg, only 20 per cent. of the company's income still came from countries outside the Netherlands.

Ogem would consider that it is now very firmly established in

its home market, about 80 per cent. of its sales are generated in the Netherlands. But the 1973 oil crisis, which hit the intransigent Dutch pretty hard, forced Ogem to redefine its concepts of the international market.

"A few years ago we thought it logical to go into neighbouring countries when diversifying internationally," reflects van Heusden. "Then the oil crisis showed that Europe has common problems." The conclusion was obvious: to become truly international Ogem had to establish itself outside Europe, for Europe was the home market.

This is the main reasoning behind the merger of THV, Ogem's quoted trading subsidiary, and Lindetevens-Jacoberg. The joint company will have a turnover of around £15.2bn. which makes it the largest trading company in Europe. The merger is expansionist and not defensive, van Heusden insists, even reviving a word not heard in Britain since its merger boom died—synergy. "The merger will be synergistic—we are not accustomed to anything else."

The newly formed company, with its own board and two Ogem directors, will work very much at arm's length from Ogem as many of the smaller companies seem to do. But the present size and diversity of its interests has led Ogem to consider ways of exploiting these without merging all its many subsidiaries into one massive bureaucratic organisation.

The appointment of a divisional co-ordinator to the infant construction division some nine months ago was a first step in the search for synergy from the independent subsidiaries. The job has two parts. The first is to act as a co-ordinator to make sure they do not invent the wheel in three places at the same time."

The second part of his job is to look for those projects which do not automatically fall into the market of any one Ogem company but could be handled by an Ogem team. Already this divisional director has found himself working closely with companies in Ogem's installation division.

However, all this internal and external activity seems to leave the Amsterdam stock market unimpressed, even allowing for the fact that it is not the most active European bourse. Ogem, outwardly, does not care. As finance director de Bakker points out: "If one transforms a company with a high rate of profit into a different better type of animal with a high rate of profit the achievement is not recognised outside."

## Asian 'head hunters'

KORN / FERRY International, the executive search company, has decided to extend its operations to South East Asia, and in August will open an office in Singapore.

One of the reasons for doing this is that although there are recruitment consultants in the area, there is no "head-hunting" firm as such. Companies in Singapore, Malaysia and Indonesia are having to ask executive search firms in the U.K., Europe or U.S. to recruit the right man for the top job.

The salaries offered by Asian companies compare very well with Western rates—typically £25,000 per annum as head of a trading company—and this becomes even more attractive when the low taxation rate and cost of living is taken into account.

Another point is that although Asian companies need foreign experts at the moment to fill some key posts, there are many rising young Asian executives who will soon be expert enough to do the job themselves. A local office will be able to find these men.

Mr. Ronald Binks, managing director of Korn/Ferry Dickinson, will run the new office. Over the past year the company has built up a small nucleus of clients—Sime Darby, a commodity company dealing mainly in rubber, palm oil and food (including Amoy sauce), the International Bank of Singapore, a new bank opened recently, and Warne Bros, the British Leyland distributor for the area.

One of the problems which faces Korn/Ferry in this new venture is the question of work permits. They are not very easily come by, and so Mr. Binks has plans to train the Malay nation in the art of "head-hunting." This will solve the permit difficulty, and eventually he hopes that the Singapore office will have an almost entirely Malayan staff.

# THE INVASION OF LIVERPOOL

COMPANY DIRECTORS HEAD NORTH IN COLOSSAL LAND HUNT!

Promises of maximum Government grants and the ready availability of many acres of prime development land have now put Liverpool under almost total siege.

Several leading development-minded industrialists were "Not available for comment" today as news of the opportunities became more widespread, although one key spokesman, David Mowat, Liverpool's Industrial Development Officer, strongly suspected that many directors were already secretly on their way to join the invasion.

But why Liverpool? David Mowat believes that Liverpool's huge labour force—a half million living in the "travel-to-work area"—is one of the major attractions for companies, and the fact that factory and office rentals are low compared with the South.

Prestige sites are still available at Knowsley Industrial Park—and 175,000 square feet of brand-new office space; much of it in the city centre, to back-up administration.

David Mowat comments: "There can be few regions in Britain—indeed in Europe—that happen to be, as Liverpool is, at the very centre of a whole 'web' of rail and motorway systems—and also possessing its own airport and deep-sea container port (Europe's largest Atlantic seaport) right on the city's doorstep.

"Strategically, we're within easy striking distance to speed up entry into Scotland's emergent 'oil-fired' markets.



Liverpool Daily Post and Echo picture

Liverpool is a true trade centre; over half Britain's manufactured goods and half of the total of retail purchases are made within 100 miles radius of the city."

As telephones ring out unanswered in the industrial capitals of Europe, we hear the growing murmur of European voices ringing out along Liverpool's Lime Street... the Invasion of Liverpool has begun!

Get detailed information now about the city and the sites of Liverpool. Clip this coupon to your letterhead and post to: David Mowat, Industrial Development Officer, FREEPOST, Liverpool, L69 4DS. Tel: 051-227 3296 or Telex 627110.

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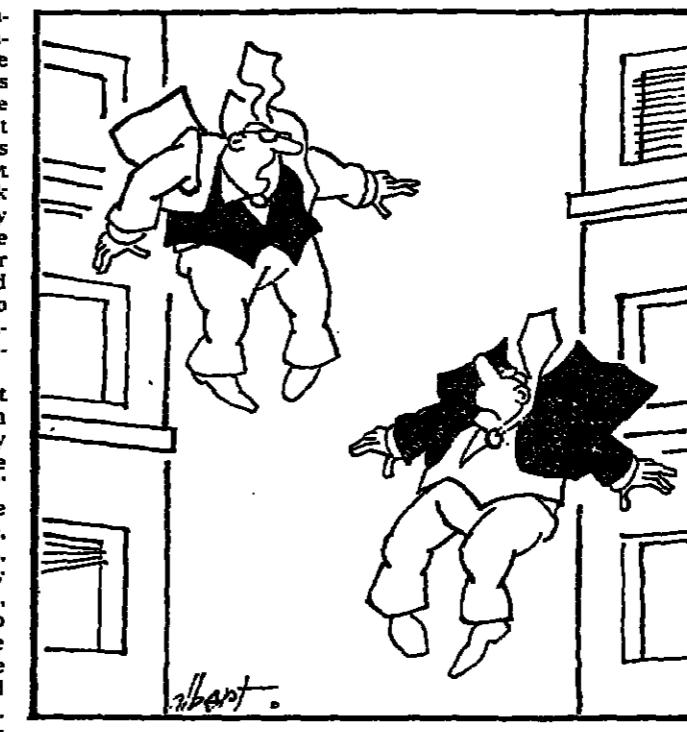
**THE INVASION OF LIVERPOOL**

FT/27/6

## BANKRUPTCIES

# The tell-tale signs

By John Argenti



"... we bought you out yesterday!"

THE RECENT SPATE of company failures has drawn attention to the fact that very little is known about why companies fail. No one seems to know the answers to even the most elementary questions, such as whether it is possible to predict failure—judging by the shock and amazement that usually greet announcements of collapse. It is not possible (remember Penn Central, Rolls-Royce and Burmah Oil, for example). Do companies normally fail suddenly, then, without any warning?

In fact most companies that fail do not do so suddenly. On the contrary, it seems likely that they move down a quite well defined "failure-path" stretching over a considerable number of years. Furthermore, long before insolvency occurs, and even before the company steps on to its failure-path, certain defects in its top management structure will be apparent—indeed without fail it would probably never find itself on a failure-path at all. There may be as many as six of these defects, one's anxiety as to the company's future being approximately proportional to the number of these it displays.

## Defects

One of these management defects associated with failure is a chief executive who dominates his colleagues rather than leads them as more normal chief executives do. Another is an unbalanced top team: for example, one of Rolls-Royce's boards boasted 22 directors of whom only one was not an engineer! A finance function that is not strongly represented on the board is another defect. So is a board whose members do not actively participate in decision making. Another is lack of management talent below the board. Finally, and possibly the most significant, there is the man who combines the role of chief executive with that of the company's chairman.

The company that is likely to fail may also have defects in two other areas. One of these is its accounting information systems where typically its available to the company. Inevitably they are poised to make a monumental mistake—

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# FINANCIAL TIMES SURVEY

Friday June 27 1975

# CHICAGO

Chicago is one of the biggest wheels in the U.S. economy, a huge centre for manufacturing, distribution and other services. The recession has inevitably slowed its momentum but has not impaired the basic self-confidence of its citizens.

AMERICA HAS started celebrating its bicentenary as an independent nation in a sombre mood this year. The economy is the hub of the U.S. It is at the very centre of the country's transportation network, a role already running at levels far higher than most Americans now alive have ever seen before. It is expected to rise higher still before the end of this year, and to stay well above the rates commonly regarded as acceptable for much of the rest of this decade. At the same time the end of the war in South-east Asia (or at least of U.S. claims to a leading role in determining the course of events there) has shaken the national self-confidence like nothing else in its history. America is no longer a country that assumes it has all the answers; instead, it seems to be absorbed in a process of deep and sometimes painful self-examination.

## Tallest

There are few better vantage points than Chicago to see what is going on in America to-day. That is true both literally—the city possesses the world's tallest building, the 1,450-foot Sears Tower, and two others barely a head shorter—and metaphorically. For Chicago, often described as the most American of all American cities, not only displays plenty of the doubt, introspection and uncertainty to be seen elsewhere in the country. It also offers a timely reminder of how America sets about the business of living when it is in more optimistic mood—building, improving, getting on with the job in hand, restless in its constant search

for new ways to grow and to facturing, processing, buying and selling, banking, insurance, however, risen significantly and the list is almost endless, higher than the national manufacturing industry lies. Once the U.S. economy begins within a 500-mile radius of to show more positive signs of Chicago, and though that definition comes from the current recession includes, for example, such signs—as most observers believe places as Detroit which would it will during the second half of the century established the need for a port, market place and supply centre. The grain trade itself is now less predominant than is used to be, with much of the export traffic passing instead through the Gulf ports. But the opening of the St. Lawrence Seaway ensured that Chicago, strategically placed between the Great Lakes and the vast inland waterway system of the Mississippi and its tributaries, retained its importance as an international trading centre.

Still more important is the city's role in the railway system of the North American continent, where it remains the single most heavily used transfer point, linking lines from north to south and from east to west. In more recent years the completion of most of the U.S. Interstate highway system has added road transport to the long list of "firsts" which Chicago can claim. The continued growth of domestic air traffic has reinforced the primacy of O'Hare Field as the world's busiest airport and made certain that, whatever the competition offered by such new interchange points as Dallas/Fort Worth or Kansas City, Chicago will remain for a long while the city to beat.

But the city thrives to-day not only as a crossroads for the tors such as consumer durables, U.S. It has made itself no less important as a centre of manufacture, have been hit hard

Overall unemployment has not, and intellectual life. The fiercely determined tradition of Chicago Symphony Orchestra, Chicago reformers to improve the Art Institute and the vast social conditions and to work and still increasing architectural for racial justice; the Rev. Jesse Jackson's PUSE movement endowment founded by Louis Sullivan and Frank Lloyd Wright, all attest to the extra-humanity is only the most ordinarily high standards of visible of many groups who fierily resist the suggestion of this year—the diversity of that they were in any sense the Chicago region should once again stand it in good stead. An the outstanding centres of teach-

process has not gone nearly so of disarray. Its vast public far in Chicago, and the city is housing programmes, intended on the need (if not on the means) to stop it going millions of mainly black Chicagoans living in slum conditions, have seemingly done little to ease crime or increase family stability. The system of

Typically, Chicago is launching the biggest and most comprehensive scheme of inner city renewal proposed anywhere in the U.S. in order to reverse the flight from the centre that with the city's rise during the last century continues to be eroded. And in recent years the Chicago 21 project work—and several false moves. In 1973 he there is much reason to believe that history is on its side—its supporters in City Hall and in the business community will only to withdraw after the have proved that with careful planning, money and above all determination, the traditional city can be saved from the vicious circle of debt and poverty that has trapped New York this year.

## Controversy

Mayor Daley, though he remains a figure of controversy in Chicago no less than outside it, is by common consent given the major credit for keeping Chicago a "city that works."

In his two decades of office, the Mayor has been responsible for a staggering amount of new building for highways, public housing and public services. And he has had much to do, too, with creating the climate in which Chicago could flourish as a centre for business, banking and industry.

That is not to say that the record has been a wholly successful one. Chicago's educational system is in a grave state

relatively good shape, with its cherished A-rating in the bond market intact, even while other cities are staring bankruptcy in the eye. Mr. Daley has known how to squeeze the last dollar out of Washington and out of the State of Illinois to help meet his city's bills.

Much will now depend on how the Mayor uses his almost unequalled powers as he enters his sixth four-year term. There will be intense interest in any plans he appears to be making for his succession. For Chicago's relative health and vigour will need to be nurtured and encouraged carefully if even this strongest of American cities is to meet its potential to the full.

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## CHICAGO III

## Banks' new prominence

CHICAGO HAS made itself within the past few years into an international banking centre second only to New York among American cities in the range of services offered to customers, and probably now well ahead of older centres such as San Francisco or Philadelphia. The city's banks, which include several of the largest and most vigorous institutions in the world, began their own expansion overseas in the late 1950s, in common with many other American banks. They are now to be found installed in every continent, engaged in every facet of international banking activity—though it is still fair to say that London remains the most important single focus of their overseas activity. Chicagoans have made themselves prominent in the Euro-currency markets, in international medium-term financing and in the growth of international trade and investment.

Since October 1, 1973, Chicago banks have been joined on their home turf by a growing number of foreign banks. By last month, some two dozen foreign banks had established themselves in the Loop, taking advantage of the change in the Illinois State banking code which permitted them for the first time to open branches rather than representative offices. The change was one that Chicago bankers had long sought to bring about, and they have given a warm welcome to the foreign institutions, with whom they had in many cases already enjoyed close business relations for some years before the change in their status was finally approved.

The foreign banks have set up their branches in different ways and for different purposes—though all are limited to one address which must be within the traditional downtown financial district. Some of the foreign banks have come to the mid-west in the wake of their major corporate customers, while others have identified the rapidly growing Chicago metropolitan area, with its vast hinterland, as a prime prospect for developing new business, with many opportunities to put their world-wide contacts and expertise to profitable use. Others again have set out to serve the needs of large communities in Chicago of immigrants from their own home countries. Thus far, all of them appear to be thriving, and the Illinois Commissioner of Banks and Trust Companies is said still to have a steady stream of additional applications to consider from foreign banks anxious to get a foothold.

## Active

One consequence of the foreign banks' arrival has already been to give Chicago the basis for the first time for an active foreign exchange market of its own. As yet this is a development still in its early stages. A relative scarcity of qualified foreign exchange dealers, coupled with the traditional primacy of New York in international finance, has tended to slow down somewhat the take-off of the market, though its long-term prospects seem assured. For Chicago has traditionally served as the financial metropolis not only for smaller banks within its natural geographical hinterland, but throughout the U.S. As overseas trade and investment interest in the U.S. increases, it seems clear that there will be plenty of scope for an enhanced foreign exchange role for major centres outside Manhattan.

Meanwhile, most of the foreign banks, report satisfac-

tory results to date from their newly established branches, and this despite the high cost of setting up, establishing staffs and renting accommodation which, by the terms of the state statute, must be in the most expensive few blocks of downtown Chicago.

## Impasse

For Chicago bankers, the slowdown in the national economy has not, at least to date, brought any serious concern on the subject of their own profitability. The past year has been for most a profitable one, in spite of the difficulties which have beset the banking business in the U.S.—and indeed the rest of the world. Chicago bankers, in common with their colleagues elsewhere, were profoundly shaken by the failures of the Herstatt bank in Germany, to say nothing of the Franklin National Bank of New York—the event which has, perhaps, caused the most profound process of self-examination by the American banking industry in a generation.

## Salutary

Both incidents have also provoked, understandably, a good deal of wisdom-with-hindsight. Some Chicago bankers can claim to have felt uncomfortable about Herstatt, in particular, well before the bank's difficulties became public knowledge. Others did not manage to escape entirely unscathed from the foreign exchange problems of the German house. All can now agree, however, that the Herstatt affair has had its salutary effects for the international banking business, forcing on the foreign exchange and Euro-money markets a badly-needed degree of caution and discipline, from which they are already emerging stronger.

While the Herstatt affair caused American banks to tighten their precautions in doing business abroad, the aftermath of the Franklin collapse was felt much closer to home. While it is clear that the more extravagant fears for the stability of the U.S. banking system were greatly exaggerated, there can be little doubt that the industry has emerged more stable for the rigorous scrutiny that has been made of every area of business and of virtually every commitment. Chicago bankers, like those elsewhere in the U.S., have set up machinery to keep a constant eye on the management of their assets and on the cost of every transaction they undertake.

At the height of the Franklin affair, there was some concern outside Chicago that its banks might find themselves especially hard-pressed because of their heavier dependence on purchased funds—a fact that in turn reflects the difficulty they have always had in broadening their retail deposit base while limited by law to a single place of business. This concern, however, was never shared by Chicago bankers themselves. Nor was it taken seriously by Federal Reserve officials whose function it is to keep bank asset structures under review. Both make the point that hard and fast guidelines, applicable to the widely differing legislative conditions of the 50 states, are almost certainly an illusory goal of those who seek to prevent any recurrence of the Franklin case. In any event, the big Chicago banks have withstood the recent testing time for the American banking system as soundly as any.

For all that, the constraints of the Illinois banking code remain a handicap. The Chicago banks' efforts to repeal the ban on branch operations have become virtually an annual event, with confident predictions

each time the issue comes an increasing rate of saving—federal courts rather than in

before the Illinois State Legislature seen by many as a nominal Illinois state courts, and

in Springfield that they consequence of the recession—there are also a number of

would win the day. So far, this Chicago bankers are still pending proposals for Congress

action to limit the scope

to be allowed the CBCT's. Thus

the political clout which the more imaginative publicity schemes it remains to be seen whether

they will be permitted to provide the full range of services

of which they are capable, such as interstate transfers of funds

under national credit-card auspices.

In the next few months, how-

ever, a new element is to be

introduced into the Chicago

banking scene that may finally

break the branching impasse

the establishment by several

of the leading institutions of

sophisticated automatic bank-

ing machines. These will be

ready to follow Continental's

lead: First National and others

already have "automatic

tellers" installed in their

banking halls and report

favourable results. The way

will be then open for their

installation in supermarkets,

suburban stations and many

other prime spots. Although

the prospect is one that the big

banks may be quickest to

open the first three of these

of the CBCT machines may

courteous service and an

increasing range of ancillary

attractions to keep him loyal.

month appears ready to take in the outskirts of Chicago, to

Chicago banks continue to work

hard to expand their base of

personal accounts, crowded

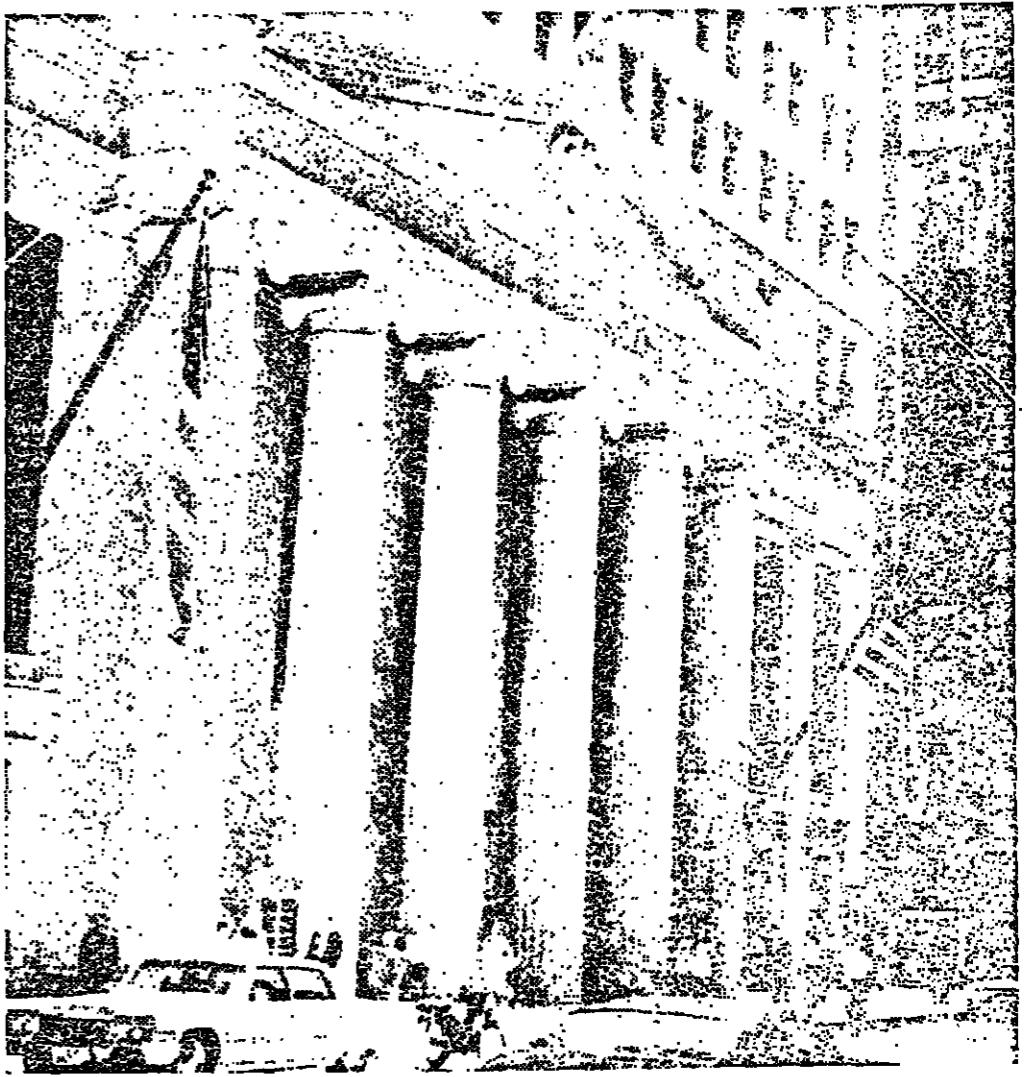
though the immediate catch-

ment area of the Loop now is

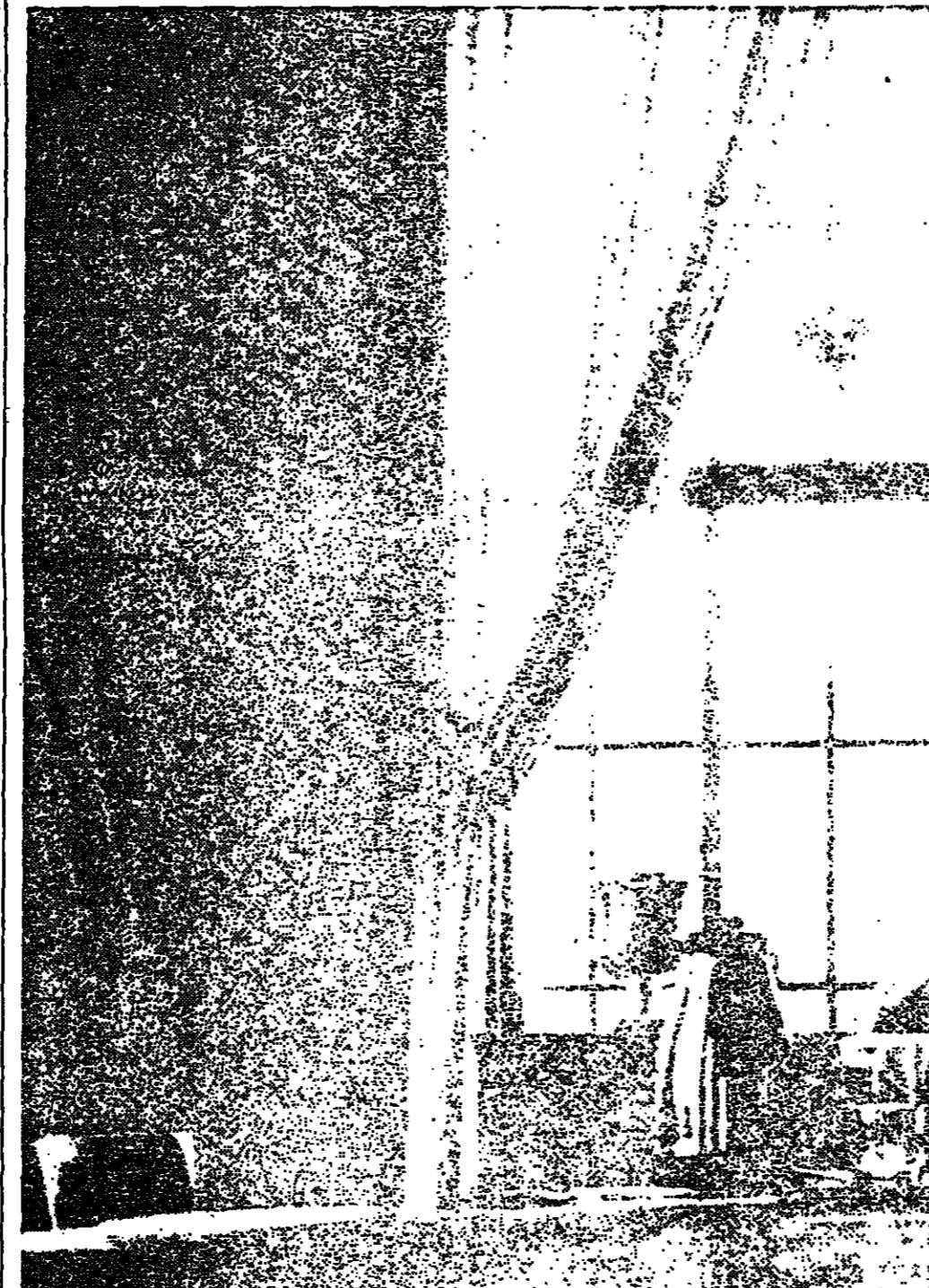
The present expectation is

with competitors. Spurred by that this will come in the

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If a basic approach to international banking makes sense for your company, chances are there is a First Chicago office in a city where you do business.



**FirstChicago**  
The First National Bank of Chicago

How much is a cluster of maple leaves worth?

In Canada, a cluster of maple leaves appears on the 1-cent piece. 100 cents = 1 dollar. First Chicago is in Canada in Suite 2200, Commerce Court North, Toronto, Ontario.



What is the value of a nickel cigar?

5 cents. In the U.S.A., the five-cent piece is called a nickel. 100 cents = 1 dollar. First Chicago has international operations in Chicago, Los Angeles, New York and San Francisco.



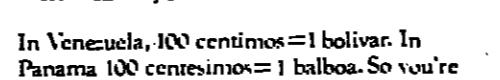
How many centavos in a cruzeiro?

In Brazil, 100 centavos = 1 cruzeiro. First Chicago is in Brazil at Rua Antonio de Godoi, 27-10<sup>o</sup> andar, São Paulo.



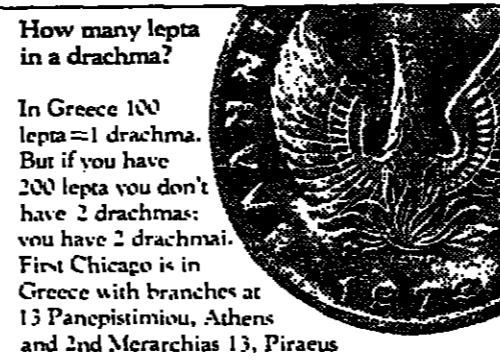
If you are exchanging Bolivar for Balboa, where are you going and where have you been?

In Venezuela, 100 centimos = 1 bolivar. In Panama 100 centimos = 1 balboa. So you're going from Venezuela to Panama and you'll find First Chicago in both places. At Sabana Grande, Caracas 105. And at Via Espana con Venezuela, Panama 7.



How many lepta in a drachma?

In Greece 100 lepta = 1 drachma. But if you have 200 lepta you don't have 2 drachmas; you have 2 drachmai. First Chicago is in Greece with branches at 13 Panepistimiou, Athens and 2nd Merarchias 13, Piraeus



Who turns pounds into piastres?

The Lebanese. In Lebanon 100 piastres = 1 pound. First Chicago is in Lebanon at 39 Riad Solh Street, Beirut, with sub-branches on Hanra Street and Budaro Street.



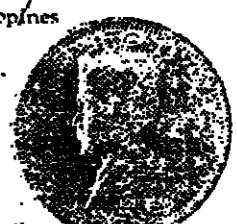
Australia is very British, but its coins are very much like what other country?

The U.S.A. Like Americans, Australians count their money 100 cents = 1 dollar. The sizing of the coinage is very similar. First Chicago is in Australia with two installations in Sydney and one in Melbourne.



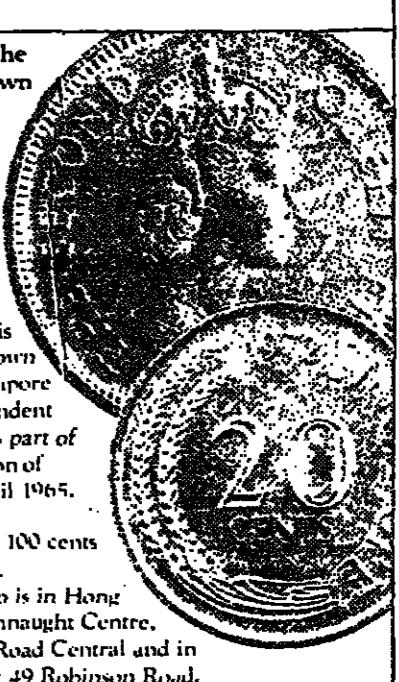
Who changed its pesos to pesos?

The Filipinos. In the Philippines the old coinage system reads: 100 centavos = 1 peso. Now it reads 100 sentimos = 1 peso. First Chicago is in the Philippines in the ODC Building, Salcedo Street, Legaspi Village, Manila.



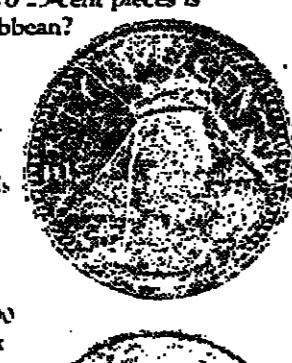
Why does the British Crown appear on coins from Hong Kong, but not on coins from Singapore?

Hong Kong is a British Crown colony. Singapore is an independent state and was part of the Federation of Malaysia until 1965. Both count their money 100 cents to the dollar. First Chicago is in Hong Kong at Connaught Centre, Connaught Road Central and in Singapore at 49 Robinson Road.



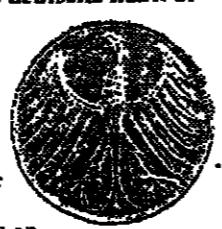
Which of these two 25-cent pieces is not from the Caribbean?

The one with the windmill is from Barbados. The other is from Jamaica. However, Barbados is actually part of the Windward Island group and is in the Atlantic Ocean. In both countries 100 cents = 1 dollar. First Chicago is in Bridgetown, Barbados; Kingston, Montego Bay and Ocho Rios, Jamaica.



Does 100 pfennig equal a deutsche mark or a mark?

The deutsche mark is used in West Germany. The mark is used in East Germany. Both equal 100 pfennig, but their exchange value is different. First Chicago is in Germany with an office in Munich and branches in Düsseldorf and Frankfurt.



If you get gross in your change, where are you?

In Poland, 100 groszy = 1 zloty. But if you have 200 groszy, you have 2 zloty. And if you have 500 groszy, you have 5 zloty. First Chicago is in Poland at the Hotel Orbis-Forum Warsaw, Warsaw.



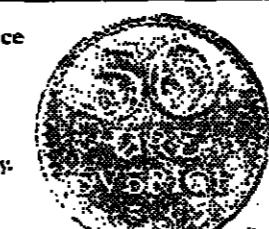
What does a square cross on a coin tell you?

That it is probably from Switzerland. Almost all Swiss coins carry the symbol, which is also known worldwide as the symbol of the International Red Cross, a Swiss originated organization. 100 centimes = 1 franc. First Chicago is in Switzerland at 6 Place des Eaux-Vives, Geneva.



What is the difference between an ore and an øre?

The ore is used in Denmark and Norway. The øre is used in Sweden where 100 ore = 1 krona. First Chicago serves Scandinavia from Sweden with an office at Drottninggatan 25, Stockholm.



Would you rather have 10 yen or 10 sen?

In Japan 100 sen = 1 yen. So 10 yen is a much better choice. First Chicago is in Japan at 409 Fuji Building, Marunouchi 3-2-3, Chiyoda-ku, Tokyo.



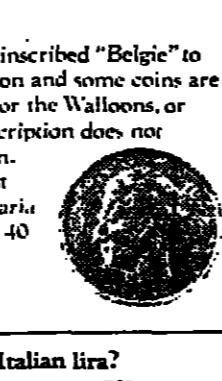
Where can you spend a colon?

In Costa Rica. Here 100 centimos = 1 colon. First Chicago is in Costa Rica at Edificio Cronos, Av. Central y Calle Tercera, San José.



Is a Walloon franc worth more than a Flemish franc?

In Belgium some coins are inscribed "Belgie" to honor the Flemish population and some coins are inscribed "Belgique" to honor the Walloons, or French population. The inscription does not change the value of the coin. 100 centimes = 1 franc. First Chicago is in Belgium at Maria Theresialei 7, Antwerp and 40 Avenue des Arts, Brussels.



How many old d in a new p?

About 2 1/2. In 1971 Great Britain adopted the decimal system: 100 new pence (p) = 1 pound. The former system: 240 old pence (d) = 1 pound. First Chicago is in Great Britain with branches in Bristol, Leicester, Newcastle, London and Edinburgh. We also have a subsidiary in St. Peter Port, Guernsey, and a merchant bank in London.



What country uses gulden coins?

The Netherlands. 100 cent = 1 gulden. First Chicago is in the Netherlands with an office at Leidsegracht 8, Amsterdam.



What does the Rp on this coin mean?

It means it is from Indonesia. Rp is an abbreviation for rupiah. In Indonesia 100 sen = 1 rupiah. First Chicago is in Indonesia in the Borobudur Offices, Jalan Lapangan Banteng Selatan, Jakarta.



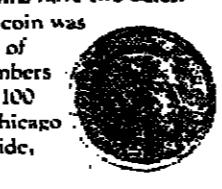
What is the difference between 5 centavos and cinco centavos?

In Mexico, the 5 centavo pieces commonly bear the word "cinco". In Colombia, the 5-centavo pieces bear the numeral 5. In both countries 100 centavos = 1 peso. First Chicago is in Mexico at Paseo de la Reforma 379, Edificio Cusipé, Castellana 18, Madrid and Genova 20, Madrid.



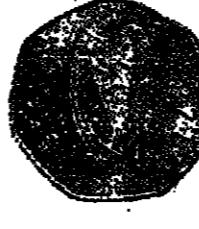
What does the date on a Spanish coin tell you?

Not much. Most Spanish coins have two dates. The big one is the year the coin was authorized. The actual year of coinage appears in tiny numbers on a small six-pointed star. 100 centimos = 1 peseta. First Chicago is in Spain at Edificio Cusipé, Castellana 18, Madrid and Genova 20, Madrid.



What country has musical money?

Ireland. An Irish harp is pictured on all its coins. Ireland adopted the decimal system in 1971: 100 pence = 1 pound. First Chicago is in Ireland at 44/55 St. Stephen's Green, Dublin.



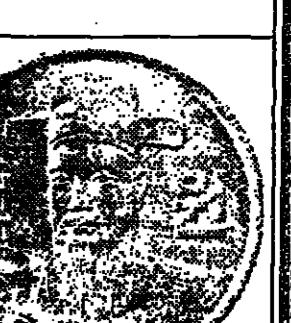
A shilling is to what country as a naira is to what country?

In Kenya the shilling is the base measure of currency: 100 cents = 1 shilling. In Nigeria the naira is the base measure: 100 kobo = 1 naira. First Chicago is in Kenya on Mama Ngina Street, Nairobi; and in Nigeria at 18 St. Gregory's Road, Lagos.



If you have a baht in your pocket, where are you?

In Thailand. Here 100 satang = 1 baht. First Chicago is an associate of Siam Credit Corporation, U-Chulang Building, 988 Rama 4 Road, Bangkok, Thailand.



Where is a won saved a won won?

In South Korea. Here the coins are counted in won: 100 jeon = 1 won. First Chicago is in South Korea in the KAL Building, Namdaemun-Ro, Chung-Ku, Seoul.



# The options exchange

THE RECENT exceptionally that the CBOE, the self-liquid business, unsuitable for trade. Thus all options con- go up. The second factor is the sharp upturn in Wall Street confessed "test-tube baby of the larger institutional deals" and tracts were deemed to be for remaining length of time before equities, both in share price and securities industry" would die the New York Stock Exchange 100 share lots in the company the expiry of the option. As the trading volume terms, has in no a premature and largely un- finally decides on its plans, the concerned, and expiry dates for remaining period decreases and way dented or slowed down the mourned death when the CBOE remains (as its new contracts were standardised at the possibilities of further price continuing success and appeal eventual recovery in equities letterhead logo insists) "The of options trading in America diverted investor interest back options exchange." While it may no longer be possible to Ordinary shares. If the But what, one can reasonably ask, is an option? Very simply, it is an "option" or "right" at least cynics can no longer the evidence suggests that to buy (call) or sell (put) at some later agreed date a certain number of shares in a company at an agreed price. After recent additions just this week, the CBOE now trades in call options of 67 companies, and there are hopes that the Securities and Exchange Commission may approve trading in put options later this year.

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BEYOND THE downtown area of shops and offices, the huge metropolis that seems to spread as far as the eye can see, even from the 1,450 ft. elevation of the Sears Tower's observatory, is still a city of neighbourhoods, to a greater extent than almost any other in the U.S. There has been change and erosion, of course. Some of the old ethnic "villages" have withered as the 19th century European immigrant communities have gradually lost their cohesion, while others have disappeared to make way for Mayor Daley's freeways. Others again have had their original characters sapped as whites have prospered and moved out to the suburbs, and blacks have established themselves. Yet much still survives of the old neighbourhood system, while continuing immigration into the city from Greece, Puerto Rico and Mexico—to name only three countries—seems to be ensuring that it will continue to mean more than ethnic diversity, or ticket-balancing at City Hall. City planners

and sociologists have come to regard it as a building-block in the complex web of circumstances that make Chicago more vigorous and perhaps more healthy than New York or Detroit—or at least, not quite so far advanced on the road towards economic decline and insolvency. In several quite different ways, Chicagoans are attempting the extraordinarily difficult task of saving and strengthening their city before it is too late, and are using the subtle, constantly changing neighbourhood system as a means of approaching these problems.

**LOOP**

The heart of Chicago economically, as well as geographically, remains the Loop, with its concentration of offices, banks and department stores. Like similar areas of other cities, it has become an increasingly isolated workplace, however, as more and more of its day-time population have moved out of the centre to the suburbs. What Chicago has now decided to do

is to try to reverse this trend by building a new residential community within walking distance of the Loop where, eventually, it is intended to house 120,000 people.

Chicago is lucky to have the opportunity to think so big. The chance arises from the abandonment of 600 acres of railway yards just south of the Loop, on a conveniently-placed site that is also within easy reach of Lake Michigan and is close to major new roads. Although many obstacles still remain to be overcome before the building operations can begin (including purchase of the land itself at realistic prices), the non-profit company formed by the city's principal bankers, businessmen and civic leaders, Chicago 21, is going ahead with its plans and hopes to break ground next year.

Financing is already assured for the \$13m. "down payment" on the first 50-acre phase of the South Loop New Town: the remainder is expected to be raised through revenue bonds, which will be guaranteed by the City of Chicago but will be serviced and redeemed by

income from the New Town

political areas: high and still "on purely business grounds," rising crime rates, a struggling as one man involved in it and still heavily segregated recollects—not to move its school system, vast areas of campus from a neighbourhood dereliction and a huge public apparently facing the same fate housing programme that has of slow disintegration as much as the sense of short-sellers of shares. As with the case of short-sellers of shares, this can be a very expensive exercise in which losses are varied and, indeed, much more theoretically unlimited. From the brokers' point of view, the options market can protect against a decline in the times to be a bonanza. Seat

The appeal from the writer's point of view is much more varied and, indeed, much more complicated. Basically, the sale of an option can be used to protect against a decline in the times to be a bonanza. Seat

The campaign has a long way to go, but it has also been able to achieve an impressive degree of success. Not least, it has made the neighbourhood one of the few in Chicago or in any other large U.S. city that can be accurately described as

If the strategy works as well as been spent on improving social problems that are facing the few in Chicago or in any other large U.S. city that can be accurately described as

much money has, of course, been spent on improving social problems that are facing the few in Chicago or in any other large U.S. city that can be accurately described as

The presence of the University, the financial backer of the Hyde Park-Kenwood section—

to live. Moreover, Chicago has a precedent for believing that the city can be a ripple effect, gradually leading to the recovery and improvement of other neighbourhoods to the south.

Professor Morris Janowitz, of the University of Chicago is in the presence of the

Julian Levi, who is the moving force in the local civic improvement group, is also chairman of the City Planning Commission.

He is the last man to exaggerate the significance of what has been done in Hyde Park-Kenwood to show signs of wood, but he can point to it as living proof that given the

economic conditions, the imagination and the determination of the neighbourhoods need not be irreversible.

Two decades ago the University of Chicago made the decision

A. D.

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## Statement of Condition

### ASSETS

	December 31, 1974	December 31, 1973
Cash and due from banks	\$ 355,034,535	\$ 439,853,831
Investment securities:		
U.S. Government obligations	56,680,801	54,312,185
Obligations of state and political subdivisions	133,452,400	139,853,775
Other securities	5,827,602	7,965,883
Funds sold	30,500,000	49,290,000
Loans	841,924,414	766,144,479
Customers' acceptances liability	9,553,161	8,157,063
Leasehold improvements and equipment	15,467,371	14,653,583
Accrued interest receivable and other assets	36,371,951	32,765,296
	<b>\$1,487,892,335</b>	<b>\$1,512,776,095</b>
LIABILITIES		
Demand deposits	\$ 532,731,385	\$ 551,758,672
Time deposits	454,167,642	366,621,046
Deposits in foreign offices	219,504,598	312,042,028
Total deposits	<b>\$1,207,403,626</b>	<b>\$1,230,419,746</b>
Funds purchased	152,085,341	165,971,894
Acceptances outstanding	9,553,161	8,157,063
Accrued taxes and other expenses	15,432,238	13,515,042
Other liabilities	1,505,048	1,808,013
Total liabilities	<b>\$1,385,979,414</b>	<b>\$1,419,871,758</b>
Reserve for possible loan losses	<b>\$ 14,553,053</b>	<b>\$ 13,022,834</b>
CAPITAL ACCOUNTS		
Common Stock	\$ 20,000,000	\$ 20,000,000
Surplus	30,000,000	30,000,000
Undivided profits	37,359,868	29,881,503
Total Capital accounts	<b>\$ 87,359,868</b>	<b>\$ 79,881,503</b>
	<b>\$1,487,892,335</b>	<b>\$1,512,776,095</b>

Investment securities carried at \$73,536,000 and \$116,946,000 as of December 31, 1974 and 1973 were pledged to secure public deposits, liability for funds purchased, and other purposes as required or permitted by law.

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## CHICAGO VII

# Rising costs hit transport firms

A GLANCE at the map is enough to understand why Chicago, from its earliest beginnings, developed into the transportation centre of the U.S. Situated between the Mississippi-Missouri river system and the Great Lakes with their outlet to the St. Lawrence, it also stands at the edge of the prairies which grow a substantial portion of the world's food. With the coming of the railways, roads and finally air transport, Chicago's position has been successively reinforced as both a terminal serving its own great industrial hinterland and also as a crossroads for North America.

In 1973 Chicago was the largest single point of export trade in tonnage terms, with the State of Illinois as a whole among the leaders in foreign trade in both directions in dollar terms. The city's vast airway network, served by 32 different lines, handles about half of the 800m. tons of freight which passes through Chicago each year—a figure which reduces to some 80 tons per head of the population of the metropolitan area. About a quarter of the total is carried by road, 12 per cent. each by boat and by pipeline, and the remainder by air. O'Hare Field remains the world's busiest airport, and shows no sign that attempts by such cities as Dallas and Kansas City to muscle in on its primary role as a connecting and interchange point have made much impact on its business. Even Amtrak, the Federal Government's troubled passenger train corporation has reported steady increases in traffic through Chicago and is reported to have plans to expand its services.

## Network

While there can be little doubt that this vast and complex network will continue to keep the wheels of Chicago's commerce and industry running smoothly, the current recession in the U.S. economy and the changed perspectives brought about by the continuing energy squeeze have brought a number of problems to the fore. First among these is the increasingly grave financial situation of the railway industry. As recently as last year, while the North-east of the U.S. was already embroiled in the seemingly insoluble difficulties of the Penn Central and its sub-



A Burlington Northern commuter train at Naperville, Illinois

sidiaries, the railway industry of truth for Mid-western rail-increased cost of fuel, coupled as a whole managed to turn a profit of \$146m. The main contributors to this, as they have traditionally been, were the longer-haul companies serving the Mid-western and Western states, most of whose tracks pass through the greater Chicago area. During the first quarter of 1973, however, the railway industry reported its first ever operating deficit of \$93.5m.

In common with the rest of American business, the railways have been victims of sharp cost inflation, high interest rates and, in the immediate past, a decline in income as the level of economic activity has fallen off. The squeeze has already come close to driving one veteran out of business—the 123-year-old Chicago, Rock Island and Pacific Railroad, celebrated in popular song as the Rock Island Line. After vainly appealing for Federal aid, along the lines of the \$230m. recently provided to the Penn Central to stave off liquidation, the Rock Island Line filed for bankruptcy reorganisation in March.

Drastic economy measures have kept the line operating, and the management reported last month that if a more favourable cash flow could be maintained for a few more weeks, the Rock Island might still have a chance to survive as an independent unit. If it succeeds in doing so, however, the net effect may be only to postpone the moment all directions. Yet the steeply

## Attraction

These troubles, of course, have long been the opportunity for the rival forms of transport. For companies moving into the Chicago area, the city's largest single attraction in recent years has probably been its access to the interstate system of freeways which, with Chicago's large road haulage industry, provides unparalleled convenience in serving markets in all directions. Yet the steeply

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# Convention business

LAST YEAR Chicago had 7.5m. visitors—nearly as many people as live in its entire metropolitan area, and twice as many as those who live in the city itself. Chicago earned close to \$1bn. from these welcome guests, while housing, feeding, transporting and entertaining them provided about 100,000 people with jobs and added perhaps \$1bn. to the metropolitan area's overall economy. Chicago is an old hand at the convention business; indeed it can claim to have been the inventor of that now world-wide—though still essentially American—phenomenon. The first recorded convention in the city's history, in 1847, was a gathering of military engineers interested in opening up the St. Lawrence between the Great Lakes and the Atlantic. In 1860 the Republican Party gathered at Wigwam Convention Hall, which the city had built in the space of five weeks, in order to nominate Abraham Lincoln, a native son of the state of Illinois, as its candidate for the Presidency.

Although Chicago now has lost its lead in the political convention stakes, and is out of the running for 1976, it has not slipped from the general convention business. It can offer several very large exhibition halls for trade shows and industrial fairs, as well as numerous smaller facilities for conventions and corporate meetings. McCormick Place, the pride of the city's convention organisers, offers some of the most efficient services of its kind anywhere, and can claim to be the largest self-contained exposition and meeting complex in the U.S., while several other older halls can provide overflow accommodation for convention and visitor bureaus of major exhibitions and meetings, some of the city's comings. In this, they have the peccaries have suffered greater benefit of a very close relationship with City Hall. Mayor Daley's legendary touch in heading off strikes is something the

## Recession

One does not need to look further than the current—and still apparently deepening—recession in the U.S. economy for the most important factor behind this tendency. It seems inevitable that companies, faced with declining profits, reduced investment plans and sluggish sales, should have been forced to trim the amount they spend in this area, as in virtually every other.

Chicago's convention experts expect a decline of no more than 5 per cent. this year over 1974 in attendances at conventions and trade shows. It is also worth bearing in mind that visitors to scientific, professional and other non-business events make up an important part of the total, and are apparently less sensitive to changes in the overall economic picture.

According to the Chicago Convention and Visitor Bureau's of major exhibitions and meetings, some of the city's comings. In this, they have the peccaries have suffered greater benefit of a very close relationship with City Hall. Mayor Daley's legendary touch in heading off strikes is something the

## Exciting

Yet the city's attractions spread much wider than that. Like New York and San Francisco, it has the exciting, fast-moving, indefinable feel of a great international metropolis.

Its modern architecture is probably unmatched anywhere, while its museums, art galleries, department stores and hundreds of excellent restaurants rank with those of any city in the world. And that is saying nothing of the faint aura of wickedness that still attaches to Chicago's name from the days of Prohibition and Al Capone.

The Chicago convention planners do, however, take seriously the need to increase physical facilities, expand still further their campaign to "sell" Chicago to new trade groups and companies, and to do what they can to see that the city is able to give firm bookings and meet commitments for the often highly specialised requirements

of the new generation of Americans.

A.D.

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Anaconda	Goodyear	Union Carbide
Bethlehem Steel	Inter Harvester	United Tech
Chrysler	Inter Nickel	US Steel
Du Pont	Inter Paper	Westinghouse El
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## CHICAGO VIII

## Construction grinds to a halt

LEWIS MUMFORD, the American writer and art critic once well below the 83 to 94 per cent standard in a described Chicago as a spider in the middle of a steel web, normal market. The city has grown since then.

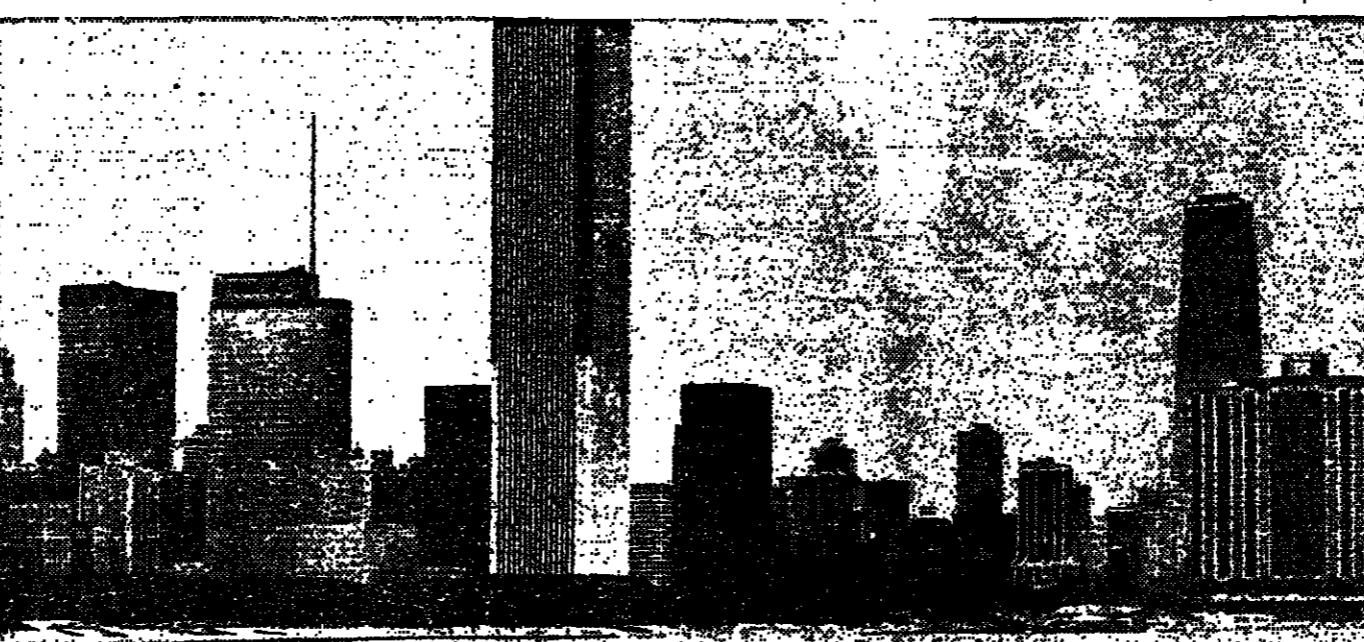
According to Mr. Ronald Pollina of Conll, 2.5m. square feet of office space were under construction in the CBD at the end of last year and a total of 6.4m. square feet were vacant. With a current absorption rate of about 2m. square feet a year, the office market will probably be soft for at least the next two and perhaps three years. The occupancy rate will have to climb back to the 90 to 95 per cent range before the office market will take off again.

## Softest

Indeed, the past decade has been filled with an almost feverish activity in the property sectors. According to surveys of both suburban and urban office space in Chicago, the Continental Illinois National Bank and Trust Company found that 23m. square feet or 70 per cent of all suburban office space, and 23m. square feet or 33 per cent of all the existing office space in the city proper has been constructed since 1970. Fully half of all existing floor space in Chicago was put up in Illinois and Indiana, and the lion's share is in the Chicago area, concentrated in the CBD.

This rapid growth all came to a screeching halt as 1974 drew to a close. This year fewer than five buildings are under construction in the suburbs, the Conll survey notes half the number under construction in 1966 and in 1967, and one-eighth of the 40 odd buildings put up last year. What had been a healthy market has vanished.

In the central business district (CBD), the Building Managers Association survey, covering 167 major office buildings, reported an occupancy rate of 86.39 per cent in York, where many of the troubled offices were put up one-third of market value, and interest rates, rising



The Chicago skyline from Lake Michigan, with the Standard Oil of Indiana HQ building in the centre

without major lease commitment, at a rate of 8 per cent. This has led to an annual tax rate of 8 per cent. This has led to an annual tax rate of 8 per cent.

In addition, the Foreign Banking Office Act of 1973 building's true value. It is less than 3 per cent of economy—but of poor business judgment. It also appears to finally permitted foreign banks. There has been only one bad kind of poetic justice. Then ensued a two-year battle over the landmark structure. The building was eventually demolished, but in the interim costs had risen by leaps and bounds. Finally observers assert that the group did not have enough capital behind the project to keep it going when conditions soured.

The entire proceedings was surrounded by controversy from start to finish. It now faces numerous lawsuits. Critics suggest that the nine-man partnership of the Adler and Sullivan Company, which holds a 49 per cent interest in 30 North La Salle Street, has suffered from high William Friedman, which holds a controlling interest in the still feels that the building cannot lose, if for no other reason than its "triple A" location in the heart of Chicago's financial district. Nevertheless, the failure has made leaders more cautious about project proposals.

Although office space has enjoyed a major boom in the past decade, the traditional backbone of the Chicago property market has been the industrial sector. Historically, it has been the strongest and the most dependable. Prudential's Mr. Jones feels that it can again be counted on for the quickest recovery and the best volume of activity in the short term.

Basically it has followed much the same cycle as the office market, during the past few months. According to Mr. Larry Levi, President of Hawthorn Realty Corporation, people were fighting for space, and suddenly around the first of the year the market evaporated.

While industrial and commercial real estate has fared well, at least until the beginning of this year, housing has been in the doldrums for the past 18 months. It has been the sector of the economy that has taken the brunt of the economic downturn. Throughout the nation, housing for both single family developments and multi-family units has been in a depressed state.

James W. Rouse and Company handles a \$250m. portfolio, which includes \$70m. for the John Hancock Life Insurance Company. Its investments have been almost exclusively in multi-family high-rise and low-rise buildings, and for the past 18 months its new loans have been down by a good 50 per cent.

Over the past five years, however, the greater Chicago area has sustained an average absorption rate of 15m. square feet of industrial space annually. In

1974 it was 16m. square feet. The total inventory, according to Mr. Owen Pollard of Commonwealth Edison, which runs a free industrial listing service for the Chicago area, is 40 to 50m. square feet in 730 buildings.

Almost all of this is concentrated in the suburbs, Mr. Pollard noted that in 1974 only eight speculative buildings with a total of 800,000 square feet were constructed within the city limits, while 133 speculative buildings with a total of 10m. square feet came on the market during the same period.

At present industrial space is not only plagued with the vagaries of the economy, but also with a market glut. Many older buildings have suddenly come on the market, and this has led to high vacancy rates and stiff competition, in which newer buildings with their higher construction costs are at a disadvantage.

Mr. Pollard, however, does not feel that the future is as gloomy as the present might suggest. The demand for space still exists, it is just more selective and more cautious. He notes that the number of companies

looking for space is up by about 20 per cent over last year, but those actually signing on the dotted line is down by the same amount. Companies just want to be sure of the economy before they make a move.

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## Upturn

There have been signs of a long-awaited recovery. Some observers feel guarded optimism about the future—but they have felt that several times in the past only to see housing slip further. In Chicago, however, some of the trade magazines have begun to predict a strong upturn for housing.

Mr. William Taylor at Rouse feels that the market for multi-family dwellings in the suburbs looks good. Land costs in the suburbs have risen dramatically, and developers must put in their own sewer lines, utilities and streets, amenities which are already provided in the city.

Although the present is tentative, there seems to be a general confidence in the future. In a recent survey, Business Week magazine reported that although actual capital spending had fallen sharply, plans for industrial expansion were continuing at high levels, only waiting for an economic upturn before they are implemented. As the spider in the middle of a steel web, Chicago may find itself well set when the upturn comes.

Candace Cuniberti

## Continental Bank welcomes the great banks of the world to the city we helped build.

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In fact, we've visited banks overseas to offer our personal assistance in establishing Chicago locations.

To those who know Continental, it's not surprising that we would welcome the competitive stimulus of foreign banks.

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Today Continental Bank has facilities in 38 countries around the world. We provide multinational financial services for America's largest companies, and for smaller enterprises as well.

So naturally we take a multinational view of things. And we see Chicago's future as a major international money centre to be real and exciting.

Which is why we say to other great banks around the world, welcome to Chicago. The home of Continental Bank.



## Masterpiece

One of the greatest losses in

recent years was the old Chicago Stock Exchange. Thought by many to have been the masterpiece of Adler and Sullivan, the building had been declared a landmark. Unfortunately, the city council, under pressure from the developers, revoked the building's protected status and down it came. The struggle lasted two years and involved much public outcry, not only in Chicago, but from concerned citizens throughout the nation. Much of it came too little and too late as is often the case, including colour spread in the now defunct Life magazine after the wreckers had begun their work.

Now that the old stock exchange is gone, and the building which replaced it in bankruptcy, rumours abound about what is to be done with the stock exchange, the old landmark. It is Council does not guarantee anything except red tape, and the development hired a Dallas law firm to design a new building which is by all accounts a shoddy one. There are complications and unpleasant building procedures surrounding the

no local firm would touch the project.

Mr. Carroll Westfall, president of the Landmarks Preservation Council, a private activist group which worked to save the Adler and Sullivan masterpiece, debunks this myth. He does, however, give credence to another: the Chicago Bar Association's decision not to rent office space in 30 North La Salle Street, may have been the last straw for the struggling venture.

Sources close to the industry claim that if the Bar Association had moved into the building, then many law firms would have followed and the building would have turned the corner financially. Instead, after heated debate about the ethics of demolishing the old stock exchange and supporting the developers who had done it, the Association looked elsewhere for a new home and the building faltered. It seems an empty victory.

If nothing else, the loss of the old stock exchange has underscored both the need for meaningful landmarks legislation and the inadequacy of present provisions. In Chicago, as in many other cities, financial viability is the ultimate decision maker for a landmark structure. In New York City, that final dollar and cents knell may well come from the courts. In Chicago, the Landmarks Commission faces more difficult opposition.

The Commission on Chicago Historical and Architectural Landmarks is a city Commission with eight members appointed by the Mayor, and headed by the Commissioner of Development and Planning, a member of the Mayor's administration. In a one-man city like Chicago, it is already a stacked deck. Just to be sure that things don't get out of hand, the Commission basically has no authority to designate that a building be made a landmark, or protect it once it is.

The Commission can only recommend to the City Council, a term synonymous with Mayor Daley, that a building be designated a landmark. But as he saw with the stock exchange, the old landmark. It is Council does not guarantee anything except red tape, and the development hired a Dallas law firm to design a new building which is by all accounts a shoddy one. There are complications and unpleasant building procedures surrounding the

## Sentiment

This new struggle points up another problem faced by landmark organisations. Not all buildings that are of architectural and historical interest arouse popular sentiment. Some are even modest in appearance, but unless a building has a flashy and appealing facade, its chances of survival fall sharply.

Banks have done little to help the problem. Both Sullivan's Auditorium Building (1889) and the Reliance Building (Burman and Root 1890) have been told by their banks that their mortgages will not be renewed if the structures are made landmarks. This would present serious financial problems to the present owners. Here the City Council has been biding its time, seeking to work out a solution without making the city financially responsible for the structures.

With money the basis of most decisions involving historic buildings, there is a glimmer of hope at present. The sorry fact is that in Chicago, as in other U.S. cities, more architectural treasures will fall under the inexorable wheel of what is called progress, and both the city and the nation will be poorer for their loss regardless of how the figures read on a balance sheet.

Candace Cuniberti



CONTINENTAL BANK

Continental Illinois National Bank and Trust Company of Chicago, Chicago, Illinois 60693. Also, New York, Los Angeles, Houston, Argentina, Austria, Bahamas, Belgium, Brazil, Canada, Cayman Islands, Colombia, Costa Rica, France, Hong Kong, Japan, Sri Lanka, Italy, Spain, United Kingdom, Venezuela, West Germany, Luxembourg, Malaysia, Mexico, Morocco, The Netherlands, Pakistan, Peru, The Philippines, Singapore, Switzerland, Taiwan, Thailand, United Kingdom, Venezuela, West Germany.

# The deadline to disaster is postponed

TWO WEEKS ago I should have relied exclusively upon public expenditure cuts without any chance of the Government falling apart over economic policy before the end of July. This prospect has now receded. The probability remains that major splits will occur in the Cabinet before long, but the time scale has lengthened and there is now a fair though by no means certain chance of some semblance of unity being preserved for the rest of the year.

What has brought about this change? Well, for one thing the severity of the economic crisis has now sunk in even among those members of the Cabinet who least wished to face its reality. The repeated runs on the pound have come at just the right moment to scare ministers badly, while at the same time leaving them a little respite in which to try and cope with the situation.

The Chancellor and the Prime Minister have improved this shining hour with their six and three-week "deadlines to disaster." In thus depriving themselves of the slightest room for manoeuvre, they took unprecedented risks and no doubt caused Treasury and Bank of England mandarins to swoon away in heaps, but they have at least achieved the desired initial effect of concentrating minds and the possibly unforeseen secondary effect of unifying themselves and their colleagues in a more resolute position.

The other thing that has altered the situation has been the gradual emergence of an economic strategy which makes, in theory at least, a plausible attack on the problem of inflation without disinterring that King Charles' head of the Labour movement, statutory incomes policy. A package which

said that there was a fifty-fifty chance of the Government falling apart over economic policy before the end of July. This prospect has now receded. The probability remains that major splits will occur in the Cabinet before long, but the time scale has lengthened and there is now a fair though by no means certain chance of some semblance of unity being preserved for the rest of the year.

As for the public sector, what is required is a tough determination by the Government that it will not finance pay awards above its own norm and that if it is defeated by strike action then it will penalise workers in that industry by cutting manpower to save costs.

## Attractions

There are vast attractions to this package from a political point of view—notably the fact that it and any public expenditure cuts that are thrown in can be adopted without many tiresome votes taking place in the House of Commons. One short, sharp debate for form's sake and Bob's your uncle. To be sure, the Left will complain that the scheme interferes with free collective bargaining (as they always, rather oddly, do when the Government says in advance that it does not propose to pay more than a certain amount).

The reasoning is, apparently, that the TUC's approach is an extremely important psychological breakthrough which ought to be followed up with alacrity if at all possible. The orthodox right-of-centre view criticises the TUC package for setting wage and price rise targets far too high at £10 a week per worker. It also declines fear of massive bankruptcies and unemployment to offer the TUC much hope that prices control will be tightened. But the most significant aspect of the critique is that it does not categorically demand statutory sanctions to make the policy effective.

The right-of-centre consensus, realities, "utmost determination," "this grave juncture in for the Government to talk to this question, the most



Mr. Roy Jenkins: he and a number of other right-of-centre Cabinet colleagues would probably have resigned over a package relying wholly on public expenditure cuts without any direct assault on wage inflation.

obvious of which is that none political pressure which got government and join a coalition of the Ministers, with the them the extra percentage they do not get what they want, with the possible exception of Mr. Jenkins and Mrs. Williams. Mr. Jenkins is, in fact, a convinced Cabinet who had been talking are, I suppose, the main candidates in Mr. Jones' mind, but he ought to know that Mrs. Williams, as a member of the National Executive and a promising figure under the existing system, has a vested interest in keeping it in being. Mr. Jenkins might not refuse to serve in a coalition once the situation presented itself, but his roots and emotions are also tied up in the Labour Party to an extent which is not generally understood and he would do nothing to bring it about. Mr. Prentice might be another matter for he is in a desperate situation (and if Mr. Jones' cohorts in Newham have their way it will be more desperate still before long). But it does not lie within Mr. Prentice's power to bring down the Government or found a coalition.

A statutory policy, once it is passed, has its own momentum; until the autumn or winter, but indeed Governments, as Mr. Edward Heath found to his cost, may find themselves the unwilling prisoners of their own regulations. If, on the other hand, what is proposed leaves ministers there is no telling what they will do within its limits. In other words, a statutory policy is a tough declaration, if it can be satisfactorily hardened up, will give Government more backbone and will certainly reduce the pressures upon it in a way that is decidedly unusual in these matters. The opposite assumption is that the normal tendency to buy time will be as strong as ever—and possibly stronger in the point at which the Cabinet's popularity when the Government breaks on unemployment, the Government's overall majority in Parliament may well be only one.

A serious assessment of these alternatives is advisable to anyone in the foreign exchange market and to any serious politician. The necessity of making some kind of prediction is certainly essential for anyone who is in what one might call the remote (as in the case of the new party) but no one in political life to-day is immune to these fancies and fears, and the Government's economic package is unlikely to put paid to them.

## Pressures

Two vital questions, in par-

ticular, are left open. One is a period of acute electoral uncertainty breaks on unemployment, the Government's overall majority in Parliament may well be only one. The Left's willingness to accept this kind of compromise is not terribly surprising. The moderate Left is not going to provide they recognise the consequences in terms of unemployment which will be far more militant than Mr. Jenkins. Mr. Anthony Crossland, Mrs. Williams, Mr. Harold Lever and Mr. Reg Prentice, will hold in public sector settlements. It does not always do so, in what one might call the Break-up-of-the-System Stakeholders. There were naturally some remote (as in the case of the new party) but no one in political life to-day is immune to these fancies and fears, and the Government's economic package is unlikely to put paid to them.

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# COMPANY NEWS + COMMENT

## B. Elliott turns in £2m. increase

ON A TURNOVER up from £56.25m. to £55.35m., group pre-tax profit of B. Elliott and Co. expanded from £2.33m. to a record £4.3m. in the year to March 31, 1975, after £2.02m., against £0.8m., for the first half.

Earnings per 25p share for the year increased from 5.83p to 16.99p, and the dividend is effectively raised from 3.43p to a maximum permitted 3.625p net with a final of 1.95p.

The chairman, Mr. J. Frye, says the directors are striving to maintain the high level of profitability, but success depends largely on the success of others in bringing inflation under control and in stabilising the business environment in which the company operates.

The liquid position is satisfactory, he says, and although stocks have risen, they are generally well balanced, and thus the group is in a strong position, both at home and overseas, to profit from investment by the engineering industry in new and better equipment and from new markets around the world.

In the present uncertain economic and political situation, it is extremely difficult to forecast with any degree of certainty in the short-term, but Mr. Frye expects "modest growth in the current year, although this will not match the record just achieved."

1974-75 1973-74  
Gross turnover £56,250,000 £55,350,000  
External turnover 50,100 50,000  
Trading surplus 3,375 3,774  
Depreciation 681 641  
Interest, etc. 1,029 1,071  
Profit before tax 4,233 2,330  
Taxation 2,020 1,151  
Minority interest 363 350  
Dividends 1,625 1,425  
Special dividends 40 67  
Forward 8,295 1,852  
Net current assets 8,123 8,288  
Decrease in sterling value of overseas fixed assets due to currency change increase for 1973-74.

BECAUSE NEW factories took longer than envisaged to reach full production, second-half pre-tax profit of Thomas Marshall Investments declined from £575,000 to £510,000, but the year-end total is up slightly from £1.13m. to £1.15m. for the year to March 29, 1975.

At half-time the directors forecast that profit growth would be maintained in the second six months.

But as planned tax benefits, start earnings per 25p share for the year are up by 25 per cent from 11.7p to 14.7p and the dividend total advances from 2.98p to 3.235p net—the maximum permitted—with a final of 2.05p.

The chairman, Mr. Donald Parr, welcomes the proposals for improving productivity in the industry placed before the Clothing Economic Development Council.

In the past three years the group has invested £1.5m. in UK clothing manufacture and supports the EDC view that the way to reduce the clothing trade gap between UK production and UK demand is through increased investment in advanced technology equipment to produce at lower costs and thus reduce naturally the sucking in of cheaper imports rather than the setting up of artificial tariff barriers.

Turnover 1974-75 1973-74  
Profits before tax 1,130,000 1,150,000  
Minorities 125 140  
Pref. div. 100 100  
Ord. div. 100 100  
Retained 100 100  
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### HIGHLIGHTS

The latest rights issue, from Mitchell Cotts, takes the form of 13 per cent convertible loan stock and will raise some £4.6m. net. Results from Associated Television reflect the decline experienced by the ATV Network and the fall in profits brings reduction in dividend. In bright contrast Racial Electronics has achieved profits topping best market hopes, which put the shares 40p better on a day when all around were slipping (the Lex column comments on the foregoing). At half-time Kenning Motor can report a promising start but warns that the year's outcome may be a decline in profits. Record trading by B. Elliott has produced near-doubled profits but here also there is a caution that the current year may not match these figures. However, Sheepbridge profits are well up with a good order book in hand, and there is a cheerful picture at J. W. Spear.

## T. Marshall Investments profit held

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buildings. Retained profits have increased consolidated reserves by 31 per cent to £2.3m.

### ● comment

Losses at its two new factories have caused Thomas Marshall's 1974-75 profits to fall just short of the half-time target of £1.3m. pre-tax. Sales value rose by a fifth last year, and the group is still currently enjoying a steady rate of demand, despite the difficulties being experienced by many other clothing manufacturers. The main reason for this appears to be Marshall's almost total concentration on six large customers, among which is Marks and Spencer which takes around 40 per cent of total output. With a first contribution due to come from the new factories the current year will be a considerable saving in interest charges. Despite this and a cover of 1.6 times, the market continues to be wary of the shares which at 18p yield 19.2 per cent.

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surplus on disposal of a property.

Footwear turnover £1,356,477 £1,356,254  
Motor trading 4,986,181 5,087,178  
Total turnover 12,387,560 12,043,432  
Profit before tax 1,308,354 1,302,602  
Corporation tax 569,344 569,383  
Interest, etc. 117,477 117,477  
Net profit 529,564 529,587  
Extraordinary credit\* 39,968  
Dividends 262,714 262,500  
Reserves 2,200,228 2,207,000  
Surplus on disposal of a property

\*Equivalent after allowing for scrip issue.

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## Racal beats forecast with record £9½m.

COMPARED WITH the March forecast of a pre-tax figure in excess of £8m., Racal Electronics reports a jump of 53 per cent. from £6.25m. to £9.36m. in profits for the year ended March 31, 1975.

Turnover, net of associates, showed an increase of 45 per cent.—from £34.82m. to £50.22m. Earnings per 25p share are stated to be up from 12.15p to 18.49p.

The interim dividend is raised by the maximum permitted—from 2.615p to 2.845p, with a final of 1.987p. A one-for-one scrip issue is also proposed.

### £1.5m. by Brickhouse Dudley

AGAINST AN indicated £1.42m. group pre-tax profit of Brickhouse Dudley increased from £1.32m. to £1.5m. in 1974 to March 31, 1975, after 20.71m. (£0.46m.) for the first half. Turnover for the year expanded from £8.23m. to £10.01m.

Earnings per 10p share rose from 4.03p to 4.48p, and the dividend is effectively raised from 1.6085p to 1.7435p net with a final of 1.15172p.

The increased turnover arose as a result of the policy of expansion in both the merchanting and country divisions, says the chairman, Mr. J. Goodridge.

He reports that since the end of the financial year, there has been a continued downturn in the building and civil engineering industry, but up to the present moment, all the foundries have been working full time on an extremely short order book. But the signs are that the lowest point has been reached and there is every indication of an upturn in the industry.

If this pattern continues, the chairman feels that profits for the

### Setback at Blundell Permoglaze

REFLECTING DIFFICULT trading conditions in the professional sector of the home decorative market and the delay in increasing prices, pre-tax profit of Blundell Permoglaze has fallen from £673,455 to £572,013 for the year to April 30, 1975.

The interim dividend is held at 6.87p net, absorbing £42,677. Last year's total was 2.21p paid from record profits of £1.17m.

Chairman Mr. N. G. Bassett Smith says that although the present economic climate makes even short-term forecasting difficult, the group's forecast for the second half profits will be similar to those in the corresponding period of 1973-74.

In the longer term the company, which manufactures paint and has factories at Hull and Birmingham, can look forward to an increasing contribution from recent acquisitions in Ireland and Preston. These profits will be significant to those in the corresponding period of 1973-74.

Because of liquidity pressures merchants have tended to reduce their stocks, contrasting strongly with the corresponding period of 1974, when the three of raw material shortages and restricted paint supplies and sharply rising costs led to considerable stockpiling. Although raw material costs have not risen at the same rate as in 1974 salaries and wages have been increasing at a greater rate in the past half year, he points out.

Sales to the lower margin public sector were higher and export sales continued to expand—particularly in the Middle East—and maximum allowed final of 0.188p.

This division increased its profits. Business in the higher margin lines was increased by the industrial division which had a "very satisfactory" year. And a firm base for profitable expansion has been secured by the Scottish merchanting division which opened new branches in Edinburgh and Dundee.

Arrangements are now at an advanced stage with Finance Corporation for Industry, for a 10-year £1m. loan on terms satisfactory to the company, the chairman reports.

Half-year  
1974-75 1973-74  
Sales 4,811,486 5,572,823  
Profit before tax 29,993 41,665  
Dividends 42,677 46,816  
Share of associate 12,077 12,077  
Group before tax 178,690 212,509  
Associate tax 36,574 43,191  
Attributable profit 123,319 214,328  
Attributable to Ord. 124,731 215,831  
Excluding Blundell Estate Paints.

Results for half year 1973-74 adjusted to 20.71m. (£0.46m.) for the first half. Turnover, net, absorption throughout 1973-74 group share of profits and tax shown was 59.4 per cent. compared with 57.5 per cent. in 1974. The results include any savings from recent acquisitions in Ireland nor in building business, as these transactions had not been completed at April 30, 1975.

The latter situation, which continues, stems from the new problems facing the risk-takers, arising not only from the Government actions and intentions but also from the high rate of inflation, he adds.

Sir John stresses that it would be imprudent at this time to forecast the outturn of the year because of the uncertainties in world-wide economic conditions.

"However, provided the situation does not deteriorate further, the results for the second half do not show a modest improvement over those for the first half," he declares. Profit for the year to September 27, 1975 was £1.01m.

As before the interim dividend is 1p net per 50p share. Last

year's total was 4.8983p.

Half-year Year  
1974-75 1973-74  
20.71m. (£0.46m.) 20.71m. (£0.46m.)

Company & sub-sidi.

Group associates 18,721 14,785 50,151

Total turnover 20,351 17,275 26,060

Company & sub-sidi.

Group associates 725 548 1,251

Total profit 784 758 1,514

Interest charges 474 556 504

Profit before tax 330 434 1,016

The effect of the trading conditions on the group's results was dramatic. Operations results in the textile division, the oil services and engineering division and the hardware and packaging division were all better than for the corresponding period last year, but the latter included the period of three-day week working.

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However

# MIDLAND HOUSE

NEW ROAD, HALESOWEN,  
WORCESTERSHIRE.

94,000 sq.ft.

OFFICES TO BE LET  
Air conditioned, carpeted, lighting and double glazing throughout.  
On Site car parking.  
Suites from 2,600 sq.ft.

Birmingham 7 miles.

M5 motorway 1½ miles.



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Sellers**  
202 Hagley Road,  
Birmingham B16 9PZ  
021-454 0955

**JONES LANG  
WOOTTON**  
Chartered Surveyors  
103 Mount Street, London W1Y 6AS  
Telephone 01-493 6040

**Debenham Tewson  
& Chinnocks**  
Chartered Surveyors.  
Bancroft House, Paternoster Square,  
London EC4P 4ET.  
01-236 1520.

Our team reports on '74:

**In splendid form after a lively year!**

**Points gained through powerful growth  
in many sectors!**

**Success confirms our development  
as a Bank with a special style: many-sided,  
unconventional and flexible through the  
use of small teams.**



Our list of services shows the wide

- Corporate finance, long- and short-term
- Local authority loans
- Building finance
- Export credits
- International loans
- Syndicate loans
- Deposits from customers
- Issue of own securities
- Money market transactions
- Foreign exchange
- Leasing, factoring
- Syndicate business in securities
- Dealings in securities
- Investment counselling
- Property administration
- Payment transactions
- Foreign commercial business
- Trust business for the public authorities
- Services in building and planning
- Investment in building projects
- Investment in other banks in  
Germany and abroad
- Real property investment funds,  
investment trusts
- Building society activities

Combining good business decisions with a well-balanced long-term strategy, our 'Fortune' team has once again proved itself. The expansion of our balance sheet by 24.5% to DM 14.1 thousand million was principally due to short-term business this year—corresponding to the trend to shorter maturities. Our earning power has greatly increased: the bank's own capital was raised by DM 142 million to DM 228.5 million.

On the liabilities side, short-term liabilities rose by DM 1.7 thousand million or 41.8%, to DM 5.8 thousand million. The greater part of the increase, DM 1.1 thousand million, relates to moneys received from other banks. DM 500 million of it comes from the Rhineland-Palatinate regional banks. The liabilities to other creditors also rose strongly, by 43%, to DM 725 million.

On the assets side, liquid funds increased by DM 919 million. The short-term credit and loan business developed briskly. It was also possible to increase considerably the total volume of bonds in issue. The figure for the bank's own bonds in circulation reached DM 5.5 thousand million (previous year: DM 4.3 thousand million).

Also noteworthy was the expansion in our long-term credit business by 18.6%, to DM 6.2 thousand million. The structure of long-term lending shows the following pattern: loans to public authorities 41.7%, loans to industry 30.5%, loans to banks 14.4%, housing loans 13.4%. Our foreign loan business, too, had a lively year.

Co-operation with foreign banks was intensified: two new holdings in foreign banks were acquired.

The new Rhineland-Palatinate state building society got off to a good start. A total of 37,648 contracts were concluded, for an aggregate sum of DM 901 million.

The results for the first quarter of '75 are good, despite the recession. We expect to be able to continue our organic growth and earn a satisfactory profit for 1975.

**Ask Rheinland-Pfalz the "crossroads bank"**

Rheinland-Pfalz-Girozentrale—Mainz, Kaiserslautern, Koblenz. Central institution of the 45 savings banks in Rheinland-Pfalz with 1,250 branches.

## ATV down by over £1½m. —dividend reduced

SECOND HALF profits of Associated Television Corporation showed a reduction from £3.92m. to £3.31m., leaving a total for the year ended March 30, 1975, down of £1.32m. to £5.73m.

Earnings per 25p "A" Ordinary unit are stated to be down from 8.45p to 6.58p.

The dividend on the "A" Ordinary is reduced from 3.125p to 3.0p, with a final of 2.05p.

Holders of the 51 Ordinary shares receive 13.6s (20.5p).

The directors explain that the fall of profits for the year ended March 30, 1974, is due to the decline experienced by ATV Network and to higher finance charges related to the greatly increased investment in feature film production. This decline was partially offset by excellent results from other divisions, particularly records and music publishing.

They believe that the new investment in feature film production, in which they have great confidence, will be amply justified by returns expected in the financial year 1976-77.

IN LINE with the March forecast

first half profits of The Associated

Paper Mills were little changed at

£1.61m., compared with £276,000.

On a turnover up from £10.8m. to

£11.5m.

The results, achieved in difficult

trading conditions, benefited from

the prudent buying policy which

had ameliorated the effect of

higher raw material prices, the

directors state.

They warn that, in the second

half-year, in common with most of

the industry, demand for the

company's products is at a lower level.

This, together with the increased

market prices now being in-

curred, will reduce earnings in the

second half-year, below those

achieved in the first half. Profit

for the year to September 28, 1974,

was £1.981.88s.

The interim dividend is stepped

up from 8.45p to 1p net. It is in-

tended to recommend a final of

1.6p making 2.6p (2.05p).

The Treasury has given its consent to

the payment in connection with a

placing of shares.

Agreement has been reached with Wilkinson Match for the

acquisition of The Peerless Gold

Leaf Company, a wholly-owned

subsidiary of Wilkinson.

The terms agreed are that the company will acquire the whole of Wilkinson's interest in Peerless (including the

indebtedness on current account

for the sum of £65.98s.

Ordinary 25p shares each which

Laing and Cruicksbank has sold

on behalf of the vendors. This

would value the acquisition at

£1.25m. per share.

The final dividend is 0.26p.

lifting the total from 2.1p to the

maximum permitted 2.32p net.

A one-for-five scrip issue is also

proposed.

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## MINING NEWS

## Nchanga Copper is struggling

BY KENNETH MARSTON

THE PROBLEMS of rising costs equivalent to 11 per cent. of all and a falling metal price which 1974 manufactured exports.

A down-under view of the controversial *Posedon* one-for-one rights issue is that the Australia consolidated Copper Mines, a Government's own Australian mining and treatment complex which is partially owned by the Australian Government and 18 per cent. by Zambia Copper Investments.

During the past 12 months Nchanga's big copper sales have been almost maintained at 300,000 tonnes while those of lead and zinc have fallen to 75,930 tonnes on 81,213 tonnes. At the same time the copper price increased to average £1,087 (5752) per tonne, having dropped to only 842 (575) in the March quarter, the past year's costs, however, have risen to £339.8m. from 275.8m. in 1973-74.

**'Profit fall'**

The result is that Nchanga's net profit for the year has fallen to £5.8m. (it was only £5.4m. in the final quarter) from £12.5m. the previous 12 months. No dividends are being paid for the last two quarters of the past year. So the 1974-75 total remains £11.6m. compared with £6.7m. for the previous year.

At the current levels of metal prices Nchanga is probably operating at a loss and the group is recently had to raise some £1.100m. on the international market. Hopes of resumption dividends thus do not look too bright at the moment.

However, Nchanga is a well-managed group and it has a big advantage which stretches far to the much more prosperous for copper, and indeed for all metals, which many observers feel will be ushered in next year. It is the "small man" that is of Coopers Creek which is probing a gold project at the northern end of Kalgoorlie's Golden Mile.

Its latest announcement to the Perth Stock Exchange is that "substantial mineralisation" has been intersected in three drill holes. The general tone of the news was low, concerning the minimal values to 65 grammes (4.37 dwts). Full results are still awaited. Yesterday Coopers Creek were quoted in London and Consolidated Mines.

**ROUND-UP**

A rock burst occurred at the Driefontein gold mine at the bottom of the No. 1 sub-vertical mining shaft 2,310 metres (8,261 ft) below surface. Eleven people were injured and five died with 12 still missing.

Participants in a Yukon-Alaska "mini" gold rush now inside British Columbia's Baffin's Copper Corporation. The sacking was sparked off by uncover-based Claymore Resources which has claimed some extremely high gold values.

**MINING BRIEFS**  
BUTTE, MONTANA: TIM CREEKING—The gold output for May was 24.25 tonnes (April: 26 tonnes).  
RADUNA SYNDICATE—The output for May is tonnes (April 25 tonnes).  
MOUNT LYTTELTON—One treatment results—

	12 weeks to	18.6.74
One million tonnes	18,675	18,674
One million tonnes	357,750	357,750
Copper grade (%):	1.29	1.28
Concentrate (tonnes):	24,125	23,253
Grade (%):	55.38	55.85
Realisable metals in		
Copper (tonnes):	5,964	5,817
Gold (grams):	115,595	113,116
Silver (grams):	1,116,440	1,083,012

**CRODA MYH**

Annual exports of minerals worth £60m. could be reached in 1980, when the Navan plant will be in full production, it was claimed at an Irish natural resources symposium. It would be owned before the offer period.

## EDINBURGH INDUSTRIAL HOLDINGS LIMITED

Points from the statement to shareholders

"Each company in the group is in a strong position to take advantage of any upturn in the national economy," said Mr. J. G. Bixley, he chairman, in his statement to shareholders.

In the light of economic circumstances since the year-end the board, he said, had reviewed critically the activities of each division and as a result the expansion programmes of the past three years had in general been put into reverse. Every possible economy was being sought to reduce break-even levels, particularly in those companies affected by de-stocking by industry or supplying the consumer industries.

Recent reviews of property owned by the group indicated a surplus of approximately £20,000 above book value, equivalent to an increase of 3p in the net tangible assets per share, but the valuations had not been included in the accounts.

Addressing shareholders at the annual meeting, Mr. Bixley said:

The policy of the past three years of acquiring companies with a view to development and subsequent disposal by public flotation is no longer practicable because of the changed economic climate. Consequently, the directors propose to sell certain companies and concentrate on long term investment in the remaining activities, particularly those relating to the Electronics Division.

The directors are confident that this new policy will enable the company to meet the problems of industry today.

Group interests  
FOODWORKING • ELECTRONICS • PLASTICS • ENGINEERING  
SMALL TOOLS.

## Skytop/Brewster

a subsidiary of  
Texas International Company

has acquired

## Derricks Inc.

Edward Bates & Sons  
North America  
initiated the transaction and  
assisted in its negotiation

## ISSUE NEWS

## Mitchell Cotts £4.5m. of stock

Mitchell Cotts Group announces that they have created £4,458,171 10 per cent. convertible unsecured loan stock 1980-95 and propose to offer the stock at £1 per share on the basis of 10 Ordinary shares held for every 10 Ordinary shares held on May 30, 1975. The net proceeds of the issue will be approximately £4.6m.

The purpose of the issue is to provide the necessary funds for the continuance of the group's progress and the Board intends to seek to strengthen the group's activities further by the acquisition of enterprises of a nature complementary to those it is already engaged in. It is the intention of the company to keep its fingers crossed as it is one of the principal providers of current loan funds to the company.

Looking some years ahead, the investment in Aran Energy should "pay handsome dividends," said G. Russell, chairman of the Dublin-based Suburban Group. Yesterday meeting. The latter company holds 50 per cent. of Aran Energy which has a 25 per cent. stake in the Aran/BP consortium.

Some of the investment may have to be traded down, he added but should that be necessary "we have consulted our colleagues at Aran Energy and believe that the investment which might reasonably be held in the light of the likely capital requirements of the Aran/BP consortium."

Silver-mines were 52p yesterday.

## COOPERS CREEK PRESSES ON

One of Australia's mining exploration operations which has recently had to go down the burlap of Government disengagement for what may be termed the "small man" is that of Coopers Creek which is probing a gold project at the northern end of Kalgoorlie's Golden Mile.

Its latest announcement to the Perth Stock Exchange is that "substantial mineralisation" has been intersected in three drill holes.

The general tone of the news was low, concerning the minimal values to 65 grammes (4.37 dwts). Full results are still awaited. Yesterday Coopers Creek were quoted in London and Consolidated Mines.

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**CRODA MYH**

Acceptance of the Croda International offer for Midland Yorkshire now represents 59.96 per cent. of the Ordinary shares which includes the £50,750 Ordinary shares owned before the offer period.

**WATERFORD GLASS**

Waterford Glass announces that 3,680,760 10 per cent. convertible cumulative redeemable preference shares (£1 per cent.) offered to shareholders by way of rights has been accepted. The total value of 1,505,318 convertible shares has been sold in the market at a premium over the issue price which will be distributed to shareholders entitled thereto, except that no payment will be made for any amount less than £1.

**SIEBENS OIL**

Applications have been received from shareholders in respect of 99.96 per cent. of the 3m. shares issued by Siebens Oil and Gas (UK) by way of rights at 300p per share. Excess applications were re-

## Halftime fall at Investors Trust

Net revenue of Investors Capital Trust declined from £0.47m. to £0.3m. for the six months to May 31, 1975. More than two-thirds of the total sum continues to be represented by overseas investments and the directors consider this spread to be appropriate for the time being.

Stated earnings are down from 0.71p to 0.43p per 25p share and, as known, the interim dividend is held at 0.5p net. The directors expect that the year's earnings will be more than sufficient for the maintenance of last year's total dividend on an increase of 50.76m.

Because of the recovery in world stock markets and the further rise in the dollar premium, net asset value per share increased from 55.7p to 78p. During the first half there was no major movement of funds.

Reflecting mainly the particular strength of the US market during the early part of this year, a geographical percentage distribution of investments at market value at May 31, 1975, and November 30, 1974, shows: U.K. 29.0 and 22.6; U.S. 39.7 and 46.1; Canada 7.4 and 7.3; Japan 10.2 and 8.0; Africa 2.4 and 1.4; Australia 1.9 and 1.7; and Europe 1.5 and 1.8; cash deposits 3.1 and 6.6.

Revenue for the half-year declined from £1.13m. to £0.81m. It is explained that this is lower because it compared with a period when funds which were subsequently moved overseas, were still employed in the yielding fixed interest securities in the U.K. and also because under the present spread of investments, the greater part of the total revenue is due in the second half of the year.

The U.S. Dollar Loan due to mature on October 14, 1979 will be repayable out of the proceeds of the sale of the relevant investments and liquid funds. At May 31, 1975 there was a surplus which, if the loan had been repayable on that date, would have attracted the dollar premium amounting to approximately £588,667 or 1.4% per share of which no account has been taken.

£1,000,000 1979-80  
Franked Income ..... 517,022 337,809  
Dividends ..... 30,716 30,862  
Management expenses ..... 66,009 58,862  
Interest on deb. debt ..... 275,262 256,252  
Tax ..... 209,842 234,426  
Net ..... 33,731 33,781  
Prof. dividend ..... 209,540 209,525  
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Interest on deb. debt ..... 275,262 256,252  
Tax ..... 209,842 234,426  
Net ..... 33,731 33,781  
Prof. dividend ..... 209,540 209,525  
Interest ..... 209,540 209,525

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## INTERNATIONAL COMPANY NEWS + EURO MARKETS

## Toyo Kogyo outlines interim losses

BY CHARLES SMITH, FAR EAST EDITOR

TOYO KOGYO, Japan's third largest car maker and one of the pioneers of the rotary engine, has reported current losses of Y11.1bn. (about £16.6m.) for the six months ending April this year. This reflects a sharp increase in costs and a decline in production at its Hiroshima plant.

In a statement accompanying the results, Mr. Kohei Matsuda, the company president, says he thinks Toyo Kogyo has overcome the worst effects of the recession.

Toyo Kogyo started to get into trouble last year when sales of its rotary-engined cars were hit by fears about their high fuel consumption. The company, which is a highly integrated operation with a high break-even level, kept up production and thus had accumulated large unsold stocks by the end of the year. Unsold stocks in Japan reached 110,000 in February and 50,000 in the U.S., but the company has now succeeded in cut-

ting back stocks to 94,000 in of 1974. It would appear difficult for the company to operate profitably at this level of output but forecasts are that the May-September period will show a very definite improvement on the previous business term. Toyo Kogyo still has massive outstanding bank loans—the current figure is Y31.7bn. (£476m.). But the company has very close relations with the two member banks of the Sumitomo Financial and Industrial combine and can apparently count on continued Sumitomo support.

Toyo Kogyo's sales in the six months ending April totalled 310,827 units (passenger cars and trucks combined) compared with 360,378 in the same period of the previous year. The fall in the overall figure masks a very sharp decline in exports (down from 199,550 to 135,524).

One important question mark partly offset by an increase in domestic sales (up from 160,837 units to 175,103 units). Toyo Kogyo introduced a new rotary engine with reduced fuel consumption as a standard way of propelling motor cars. Toyo Kogyo and General Motors exchanged visits in January.

Toyo Kogyo's production target for the current six months is 320,000 units—well below its actual production of 364,876 units with 360,378 in the same period against the rotary.

## Mixed trends in chemicals

BY GUY HAWTIN

TWO MORE OF West Germany's leading manufacturers have announced that the current year has been marked with falls in turnover and demand. The Huels concern reports that group turnover fell by 26.8 per cent in the first five months, but Schering states that it has only been mildly affected by the downturn.

Huels said that January-May turnover this year totalled DM926m., compared with DM1.26bn. the previous year. Home sales were off 24.1 per cent compared with the year before, and overseas sales plunged heavily by 30.4 per cent. Overseas business accounted for 41.2 per cent of the group's turnover in the first five months of 1975 compared with 43.2 per cent in the same period of the year before.

Chemische Werke Huels AG registered a turnover of DM804m. over the period—25.8 per cent beneath the DM1.06bn. recorded in January-May 1974. Domestic sales were off by 22.2 per cent, while exports dropped by 31.3 per cent, reducing proportion of exports in total turnover from January-May 1974's 40.0 per cent to 37.4 per cent.

Dr. Karl Monkmeyer, the chief executive, told to-day's annual meeting that 1974's results — the best in many years — would certainly not be equalled in 1975. The fall in volume and prices of the concern's main product lines since the last quarter of 1974 had resulted in the group's running at between 60 and 70 per cent of capacity.

Because of the holiday period it was unlikely that further short-time working would be

dictions of profit increases by immediate needs.

FRANKFURT, June 26.

necessary, said Dr. Monkmeyer, to-day's annual meeting that things could change, however, growth had been curbed by the and it was likely that there economic downswing. Herr Mittelstenscheid said time if the situation had not been Schering group turnover improved by September. Despite the first five months had increased in the downturn, Huels plans to increased by 3.3 per cent, while increase investment in 1975, in the turnover of Schering AG rising it from 1974's DM had risen by 3.4 per cent. This, he said, was largely as a result Schering, on the other hand, of developments in the pharmaceuticals, contrary to the maceuticals and pesticides division trends among other chemicals which were relatively producers, exports have independent of the industrial increased, and turnover has cycles.

Executive Board member, Herr Karl Otto Mittelstenscheid, however, pointed out to generally stagnated.

**Fison's profits optimism**

BY GUY HAWTIN

FRANKFURT, June 26.

MR. GEORGE BURTON, chairman of Fison's forecast here that the chemicals group would show an improvement this year in with other members of the group's top management, were in the average rate of inflation" in West Germany to announce that the countries in which it was the concern was to be quoted on the Frankfurt and Dusseldorf exchanges. Fison's has no illusions about the short-term advantages" in every respect" and "I can say for the first five and a half months we are on that track." West German stock exchanges.

In the 1974 business year, the intention is to give the company, which has a world group a broader international turnover of £202.1m., reported base and increase its ability to gross profits up 35.8 per cent, to raise money in West Germany. £14.8m. and net profits up 26.4. There were no immediate plans to cut back production. The Swedish Match management believes its major markets have now hit bottom.

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This announcement appears as a matter of record only.

## Government of Jamaica US \$38,000,000

Medium Term Loan

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and  
Citicorp International Bank Limited The Royal Bank of Canada  
Popular Espanol Limited Banco Real S.A.

and provided by:

The First National Bank of Chicago  
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Union de Banques Arabes et Francaises—UBAF  
Canadian Imperial Bank of Commerce Irving Trust Company  
Security Pacific National Bank  
American Fletcher National Bank & Trust Company Bank of America  
Bank of America N.T. & S.A. Banque Canadienne Nationale  
Chemical Bank Commerce Union Bank  
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The Merban Corporation Rabamerica International Bank N.V.

This loan was arranged by  
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## Sharp setback for Swedish Match

By William Dufford

STOCKHOLM, June 26. SWEDISH MATCH reports a fall in turnover and a substantial profit setback for the first four months of this year due mainly to overcapacity and falling prices on its West European markets. The report published to-day reiterates the forecast by managing-director Rolf Deinert at last month's annual general meeting of a "significantly lower" result in 1975 than in 1974. There are increasing signs that a general economic upswing will take longer to appear than estimated earlier, if adds.

The group involved sales of Kr.1.375bn. (£152m.), over 4 per cent down in comparison with the last four months of 1974 and three per cent behind the turnover for the first four months of last year. The operating profit at Kr.49.5m. (5.6m.) was Kr.27m. down on the preceding period and Kr.73m. less than that achieved in the first four months of 1974, admittedly the group's best ever result. The pre-tax income for the first four months of 1975 before capital gains of Kr.14.2m. was Kr.26m. (2.5m.) which compares with Kr.106.9m. for the corresponding period last year.

The pre-tax profit is encouraged with interest costs of Kr.9.6m. from the short-term borrowing the group had to undertake last year to cover rising costs. This borrowing is now being switched to medium and long-term loans, in order to improve liquidity.

The divisions most affected by the collapse of the European construction market are board and interior products, whose German plants showed significant losses." Some 1,200 employees have been laid off from the Swedish Match Kabel factories since the beginning of the year. Short-time working has also been introduced at the group's plants and cardboard plants in Germany.

The original match division contributed over half the four-month operating profit, but the packaging division failed to maintain last year's high performance. One reason for the setback in this division is the continuing weakness of the U.K. market.

The report says that exports from Sweden to U.K. have in many cases "become clearly unprofitable" and have dipped sharply in volume as a result of market weakness and the decline in the pound.

In spite of the fall in sales volume, stock increases for the group as a whole have been kept "within reasonable limits," but a spokesman said it was continuing to cut back production.

The Swedish Match management believes its major markets have now hit bottom.

David Curry in Brussels explains why the compensation work which La Fabrique Nationale Herstal receives as a result of the Belgian Government's decision to buy American YF-16 is crucial to its plans to haul itself back into profitability.

## Arms deal kick-back

WHEN BELGIUM was painfully able that the U.S. Government re-organising the company's FN looks to this partnership to establish profit which is both financial and manufacturing, to avoid duplication in investment between the two leading companies in their field.

These holdings represent some of the more important and relevant among the 16 or so stakes held by FN, a number of which are relatively long-standing participations in distributors.

In the attempt to reduce dependence on the military equipment field the company has moved for the first time its original engine field. It is in partnership with General Electric and SNECMA to develop a tandem thrust motor for the 1980s and its project will bring FN for the first time into the civil aviation area.

A complementary policy has been to eliminate certain product lines from FN's range, including agricultural and textile machinery.

But FN's plans are ambitious and hence call for a lot of cash. The company has been investing around B.Frs.160m. a year and the 1974-76 plan calls for B.Frs.350m. expenditure. The company reckons that the investment required to gear to the Pratt and Whitney work cost between B.Frs.500m. and B.Frs.1.58bn., although it will clearly be a burden to the Government for assistance in embarking on "compensations".

The past five years have been happy ones at Herstal. Last year the company lost two smaller divisions: the metal treatment operation B.Frs.46m. (around 20.5m.) and the aircraft division B.Frs.1.75m. (1.25m.) which makes mass production Belga which has a 6 per cent share in FN. The direct stake in FN, a relatively long-standing participation in distributor.

The main shareholder in FN is Union Financière et Industrielle with 20.6 per cent, these two being linked to a third company which makes mass production equipment unit.

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The Financial Times Friday June 27 1975

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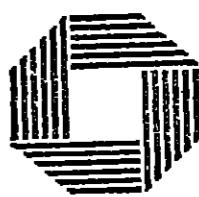
Firstly, there's our team of City financial specialists. Each one with international experience in his chosen field. Each one in a unique position to apply his expertise to your specific problems. Because each one will make it his business to understand you and your business. Only in that way can he tailor all the services that Chase's City Division offer to your particular needs.

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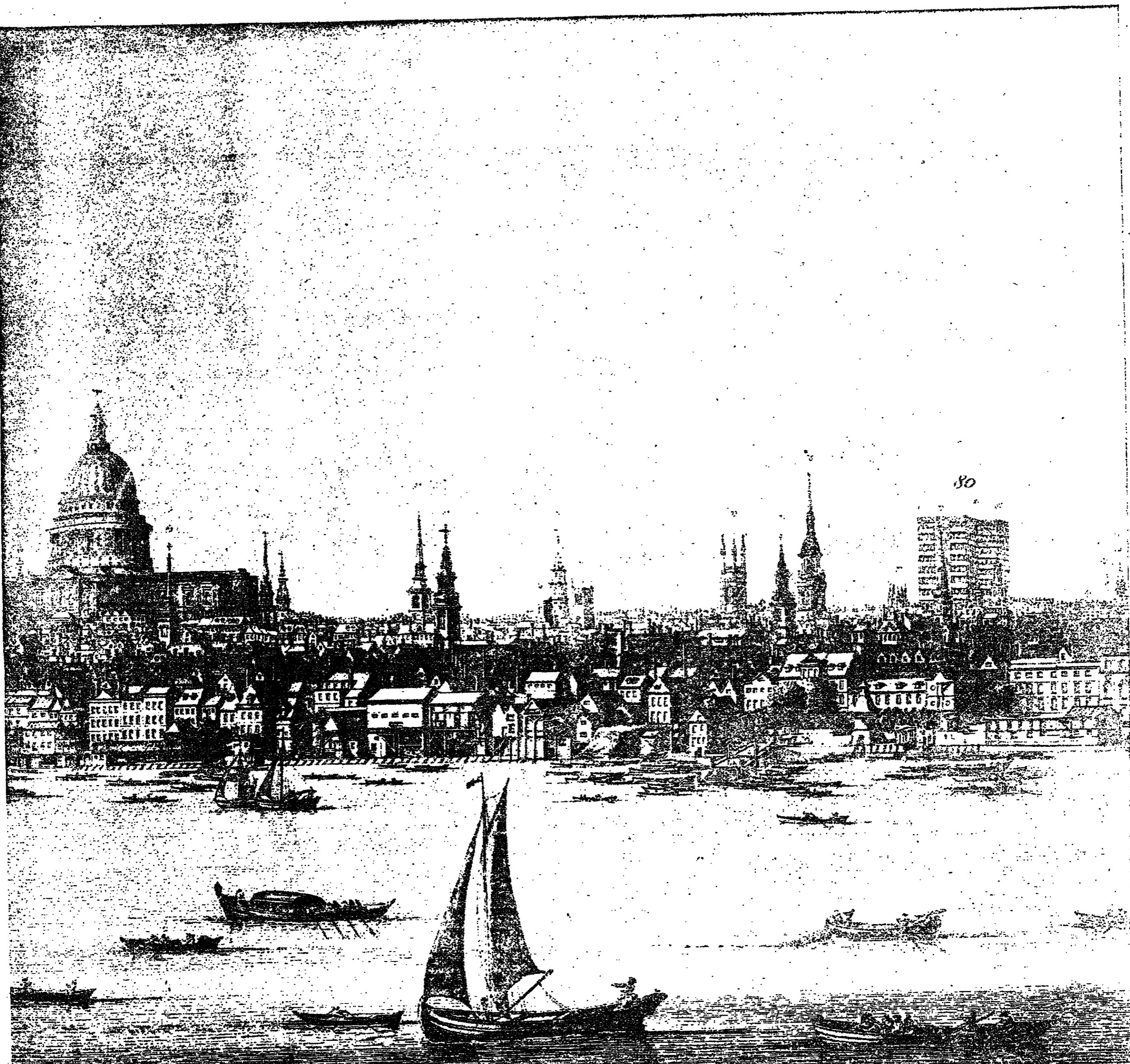
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10

70 { *Ch. Vireo* alias  
St. Flockard.  
71 *Althaeus* *Prinopterus*

72 Dougale Shire.  
73 St Mary Aldermary.  
74 St Michael Oldgate Hill.

75 St. Mary le Bow.  
76 Fleet Ward Stairs.  
77 St. Sibor's Windmill.

78 Mitchell's Arms  
79 St. Anthony's  
80 Chase Manhattan Bank  
(City Division)

81 St. Mary's Oldenwarburg  
82 { St. Michael's  
82 { Probstingstace.

# The Property Market

BY JOHN TRAFFORD

## Siege is no pointer to trends in investment

THE FAILURE of the Siege Estates' auction in London yesterday was no surprise, despite the predictably bullish remarks of Mr. Peter Davies, the Siege managing director last week.

Of the 39 lots in the catalogue, many were withdrawn and others combined. In the end only £30,000 was realised from the sale of just four lots including the company's Mayfair headquarters in Curzon Place which fetched £250,000. The major property, the 73,800 square foot Banda House office block in Hammersmith, west London, was not sold at its reserve price of £5.75m. The company has maintained that the portfolio was worth over £20m—equivalent to the outstanding borrowings—so no-one will be rejoicing at the sum actually realised.

Too much should not be read into the result, however. It was largely a speculative development portfolio without a single prime, fully let property. A better result would have been a tremendous tonic for the industry but failure is no indication of a lack of interest in top quality properties.

If evidence is needed one need only quote Trafalgar House's experience with Cleveland House

in St. James's Square in London, could possibly include some. As many expected the long leasehold was sold to the Prudential. With that sort of risk in mind Assurance who are owners of the many property owners are freehold. The initial yield, just instructing agents to negotiate over 7 per cent, suggests an agreed price of around £1.3m. But behind the Pru there were a number of other bidders. Victor Matthews in their place. If you have a Trafalgar's managing director, will not name numbers he does seem a good time to take action on the lease.

Leading agents report a growing interest in property investment from the smaller pension funds who previously have not been in the market as well as from the established operators. Bidding for prime office blocks has, in some cases, been very brisk indeed. In one recent deal involving less than £1m, half a dozen bidders offered the asking price and the successful contestants finally got the property at a yield of below 6.75 per cent. In the space of the past three months prime office yields appear to have fallen by at least a 1 per cent. if not more to current levels which range from 6.5 to 7.25 per cent. Good shops are a shade higher while the best industrials seem to be fetching 9.25 to 9.5 per cent.

The dichotomy of the past few months—strong demand for the very best property and a glut of unsaleable, less attractive property—is getting worse. The area of particular interest now may well be top-quality properties with a reversionary content. But the risks are clearly there, especially as the day approaches when Mr. Healey will present his anti-inflationary package, which

### City rents and the P and O

THERE can be few better indicators of the current market in prime City office space than rent levels in the P and O building in Leadenhall Street. Last week, following an arbitration ruling from Kemsley, Whiteley and Farris, the rent for one of the floors was fixed at no more than £15 a square foot.

With some of the floors still letting at over £25 a square foot, the ruling is a significant one. Rent reviews will be eagerly awaited by tenants with reviews coming up shortly.

The background to the recent deal is this. Credit Suisse White Weld have a lease on the 9,800 square foot first floor of the building, with a seven year review pattern. When the review came due, P and O pressed for a high rental of more than £20 a square foot.

The tenants, not surprisingly, resisted and suggested something below £15. The parties went to arbitration and the final level was far closer to that tenant's figure than to that proposed by the landlord.

Of course, arbitration is not the open market. It tends to produce compromise solutions lying somewhere between the positions of the two irreconcilable parties. But would £15 a square foot have been reached on the open market? There are some in the City who think not.

P and O was represented by George Trollope, Credit Suisse by Savills.

The one new office block is 8, St Paul's Street, a 17,820 square

## Earls Court wants to modernise

THINGS are beginning to stir in the grey fastness of Earls Court, London's well-known but little-loved exhibition and entertainment centre. Christopher Stewart-Smith, chairman of Earls Court and Olympia Limited, the Town and City subsidiary, is having friendly and informal discussions with the Greater London Council to see if any money or other help is forthcoming to help him modernise the place.

Plans have been drawn up to improve pedestrian access, the decor, the catering facilities and the lavatories, and submitted to the end of the month. The GLC is expected to have indicated the way its corporate mind is moving.

The Financial Times Friday June 27 1975

kindly on financing this kind of refurbishment.

The obvious source is the GLC and, even in these hard times, Stewart-Smith is not wholly despairing of getting some help.

His company would like to see permission for the office block

even though it would breach the GLC's current policy on office

development in central London.

But failing that, he still hopes

that the GLC might buy into the

company or even buy up the

property and let the company

manage it. He sees the need for

London to have one decent

exhibition centre as a means of

helping exports, attracting

foreign tourists and all the rest.

The question is whether others

have the cash to make their

plans more meaningful. By

the end of the month, the GLC

is expected to have indicated the

way its corporate mind is moving.

Keith Andrew's three-phase

16-acre development at Marshgate

East London, funded by the

Royal London Mutual Assurance

is going well. The second phase

is being taken by Wiggins Teape

for its North London and Eastern

Counties distribution centre. The

first unit of Phase One—13,200

square feet of warehousing and

2,600 square feet of offices—is

complete. The third phase will

be developed to individual

requirements. Joint agents are

Connells and Conrad Phoenix.

● Details of the deal in France

between Slough Estates and

Mackenzie Hill, reported last

week, are as follows. Slough has

bought Mackenzie Hill's interest

in Anglo-French Industrial

Developments for £463,790. The

company has two industrial

estates, one at Colombes (a ware-

house of 18,000 square metres)

and one at Bures-Orsay (two

warehouses, 34,000 square

metres). Another jointly-owned

company in France, Sodevils, is

currently developing 23,000

square metres at Isle d'Abeau

and has projects planned at Eyr-

Lisses, Cergy Pontoise and

Fleury-les-Aubrais. Sodevils is

not affected by the deal.

## Facts with which to fight

WHAT can be done to make

businessmen politicians and the

general public more aware of

the contributions made by the

property industry to the

economy? One worthwhile idea

is put forward by Michael

Hanson, writing in the June

issue of The Property Journal.

Hanson proposes a Property

Research and Information

Association set up by the

industry but run independently

as a non-profit-making pro-

fessional body. It would carry

out and disseminate research and

information about the industry

to Parliament, the construction

industry, the financial world and

the public. "It should do this,"

writes Hanson, "through

lectures, films, publications,

reports, Press releases and

photographs."

Hanson is certainly right

about the need for more informa-

tion. Money is the problem. Town

and City is not doing any

development at present, and

institutions would not look

the necessary skills to get the

plans adopted.

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**SPOTLIGHT  
ON STRATEGIC  
INDUSTRIAL & COMMERCIAL  
SITES AND OFFICES ON  
MERSEYSIDE.**

# 3 KEY INDUSTRIAL SITES (300 HECTARES)

## NOW AVAILABLE IN WIRRAL

SEE MAP FOR LOCATION

**Wirral—a dynamic  
strategically placed  
growth area.**

Over the years, Wirral has become a showpiece—an area that has been developed sensibly, an area that has a lot of latent advantages to put before any interested industrialist that low areas in the UK can match.

**FACTORY SITES AND WAREHOUSE  
ACCOMMODATION AT REALLY  
COMPETITIVE PRICES AND LOW  
OPERATING COSTS.**

A range of fully serviced industrial sites, and new factory units is available for sale or lease, at prices considerably lower than those in the South of England. Commercial property rents in the Wirral tend to be at London levels and many companies have moved from the South of England to Merseyside to take advantage of lower operating costs.

62 HECTARES (155 acres) OF PRIME INDUSTRIAL SITE LAND IS IMMEDIATELY AVAILABLE FOR DEVELOPMENT

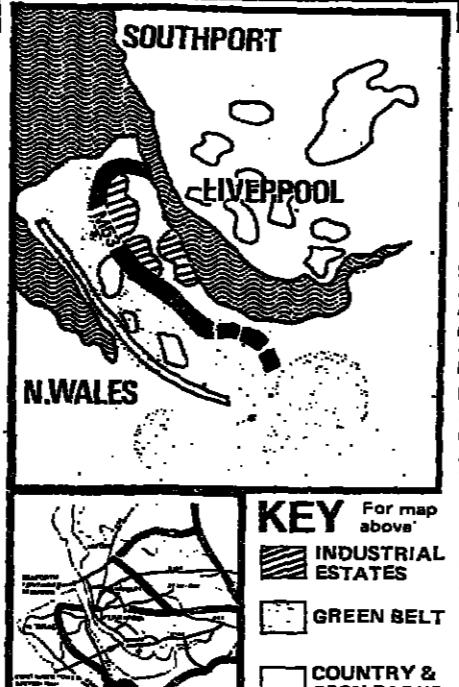
**A PLENTIFUL SUPPLY OF SKILLED  
RELIABLE LABOUR.**

Merseyside has the biggest reserve of skilled and unskilled labour in England. Wirral has a settled reliable workforce and its industrial relations record is good. Such companies as Unilever who employ over 10,000 people in Wirral have a near trouble free industrial record.

**FIRST CLASS COMMUNICATIONS,  
ROAD, AIR, SEA, RAIL.**

As a result of direct motorway access through the new Wallasey tunnel the Wirral is now adjacent to all the major U.K. markets, and that means 60% of U.K. exporters are only a couple of hours away.

Wirral's new industrial sites have the extensive on tap services of the deep port of Liverpool which are particularly suitable for offshore, dock side and imported raw material processing industries.



**SPECIAL DEVELOPMENT AREA STATUS.**

As a part of Merseyside, Wirral enjoys full Special Development Area Status which means companies coming to the area can benefit from the attractive Government grants and tax concessions.

**NO FAVOURITISM ON THE WIRRAL.**

Diverse multi-national medium and small firms stand side by side on all Wirral's expanding industrial sites and each can expect to receive the same help and attention from the Industrial Development Office. Industry is inter-dependent, and our buoyant industrial areas need the small component companies just as much as the multi-national.

## Merseyside-

a progressive county  
with progressive  
companies!



**Wirral—a delightful place  
to live and work**

Despite the growth of the large industrial complexes, and the smaller component and service industries, and the port and motorway complexes that feed it, the Wirral has remained a very pleasant place to live and work.

**LEISURE AND SPORTS.**

Sailing, golf, sand-yachting, horse riding, motor racing and an abundance of the more leisurely country park facilities are all only a stones throw from any of the industrial and commercial centres on Wirral.

**HOUSING, WELFARE, EDUCATION.**

Moving a company to a growth area isn't just machines and buildings. It's also moving people and families who need certain social surroundings. Wirral can boast an enviable housing supplies situation to cater for any income group and likewise Wirral's welfare and education facilities are second to none.

**COUNTRY PARKS, FARMLAND,  
FINE SANDY BEACHES AND  
NORTH WALES AND THE LAKE DISTRICT  
AT HAND.**

Wirral is endowed with acres of fine rolling countryside meeting the sea at 10 miles of coastline. The peninsula area is rich in cultural heritage as well as being famous for its three large country parks. The country's finest National Parks, the Lake District and Snowdonia are merely a couple of hours from

**HOW TO GET  
EXPANSION MOVING.**

FIND OUT ABOUT INDUSTRIAL  
AND COMMERCIAL SITES  
AND OFFICES IN WIRRAL

You are cordially invited to a  
PRESENTATION ABOUT WIRRAL

8th to 10th July, 75

at the Merseyside Development Office,  
5 Chancery Lane, London WC2A 1LN.  
Please telephone

Mr John Price, Director, on 01-405 0488  
so that we can arrange that anyone you  
wish to speak with will be available.

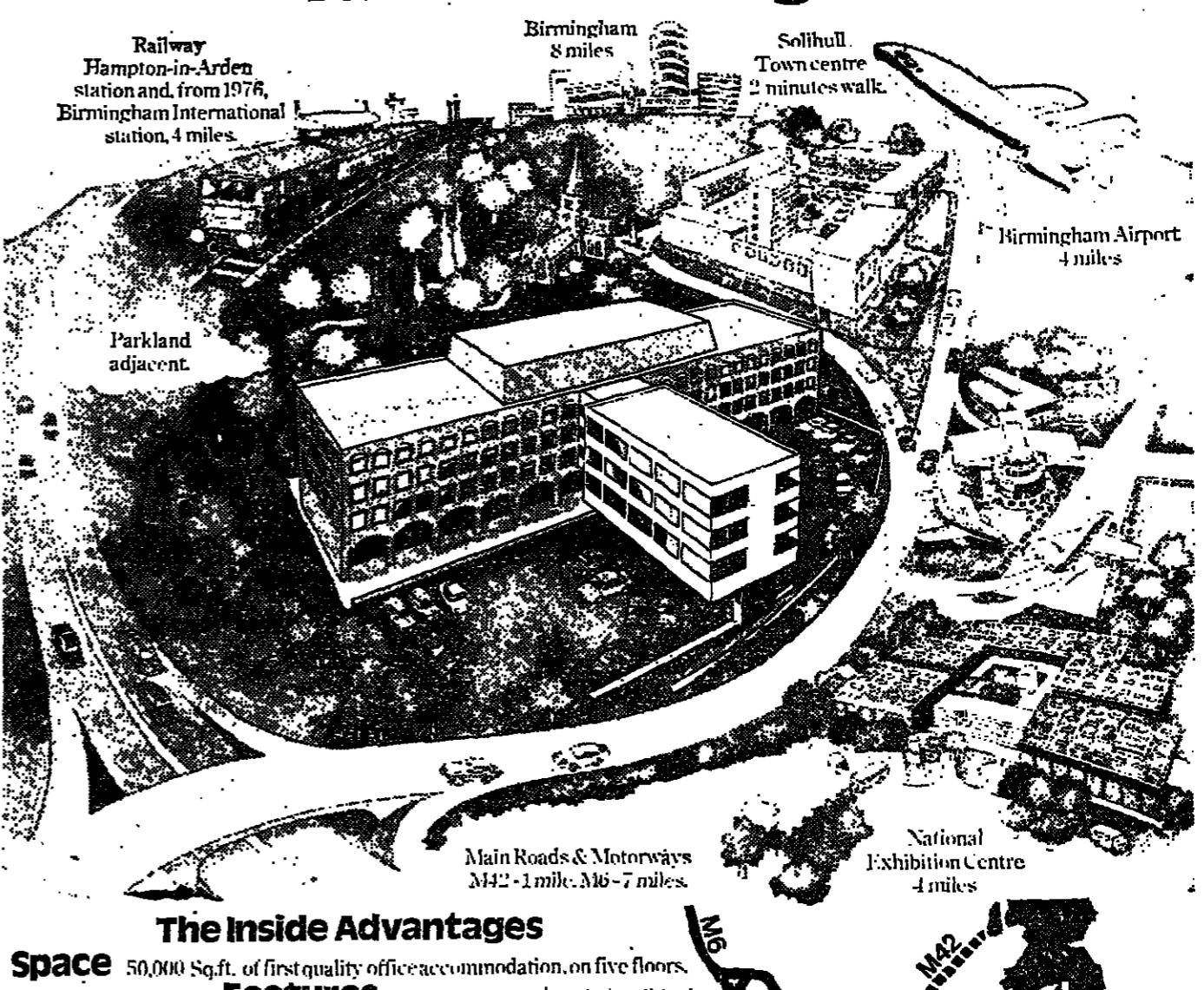
DON'T FORGET RING  
01-405 0488 NOW!

## Take offices in CHARLES HOUSE, SOLIHULL and surround yourself with advantages.

Railway  
Hampton-in-Arden  
station and, from 1976,  
Birmingham International  
station, 4 miles

Birmingham  
8 miles  
Solihull  
Town centre  
2 minutes walk

Birmingham  
4 miles



**The Inside Advantages**

**Space** 50,000 Sq.ft. of first quality office accommodation, on five floors, in units of 5,500 sq.ft.

**Features** \* Two Lifts \* Air Conditioning

\* Car Park for 180 cars, 50% under cover. COMPLETION-JULY 1975

**Solihull**

\* Midway between Birmingham (8 miles) and Coventry (12 miles)

\* Good source of locally resident office staff.

Full details from **Joint Letting Agents:**

Shipway Doble & Earle, High Street, Solihull, West Midlands, B91 3SY. Tel: 021-705 8254.

Lawrence Vanger & Co., King Edward House, 135A, New St., Birmingham, B2 4QJ. Tel: 021-643 9602

## CHARLES HOUSE, SOLIHULL

In the middle of the Midlands.

dc **DAVID CHARLES**  
development



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### CHISWELL STREET E.C.1

(Close Finsbury Square)

ENTIRE FLOOR MODERN BUILDING

Approx 13000 sq ft

IMMEDIATE OCCUPATION

**Knight Frank & Rutley**



SALISBURY HOUSE

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Suites 350 sq ft to 3000 sq ft

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MODERN BUILDING

TWELFTH FLOOR OFFICE SUITE

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17,260 sq. ft. ONLY REMAINING  
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Car parking

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Development

Providing 72,000 sq ft

Units from 10,000 sq ft

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PRELIMINARY ANNOUNCEMENT

179,400 sq.ft Offices

First Phase 100,420 sq.ft

Due for completion November 1975

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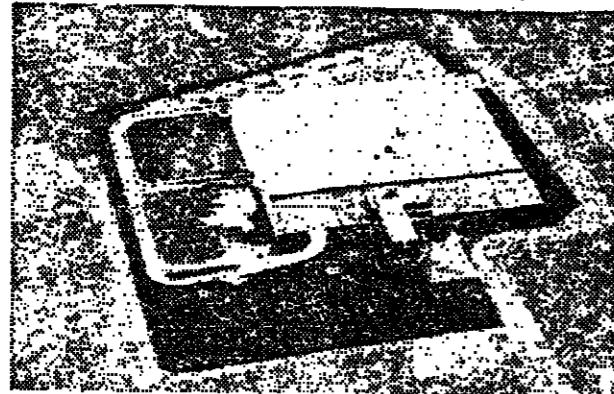
**FRANK INNES**  
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On behalf of The Standard Life Assurance Company

## LEICESTER Braunstone Industrial Estate

SUPERBLY DESIGNED MODERN SINGLE STOREY FACTORY WITH PRESTIGE THREE STOREY OFFICE AND CANTEEN BLOCK.

170,000 sq. ft. - TO LET on long lease



## 10.2 Acre site

- CENTRAL HEATING
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Modern single storey factory

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Immediate possession

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## Sth. KENSINGTON STATION (300 yds.)

TO LET

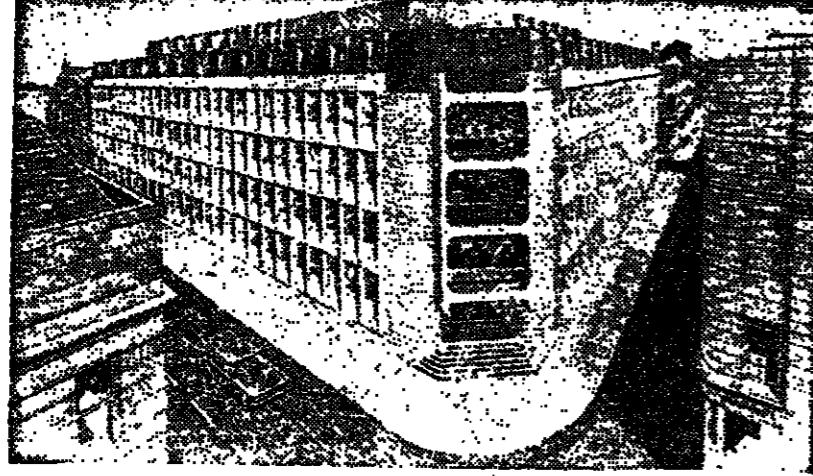
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NEWLY BUILT PRESTIGE OFFICES  
MAINLY ON ONE FLOOR

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ABERDEEN  
"EBURY HOUSE"PRIME OFFICE BUILDING  
TO LET

47,300 SQ. FT. ON 5 FLOORS

THE ONLY NEW OFFICE BUILDING NOW AVAILABLE OCCUPATION JULY

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OccupationFirst class access  
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UNIT NO	SQ FT
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2	4,900
3	7,350
4	9,730
5	12,180
6	13,220

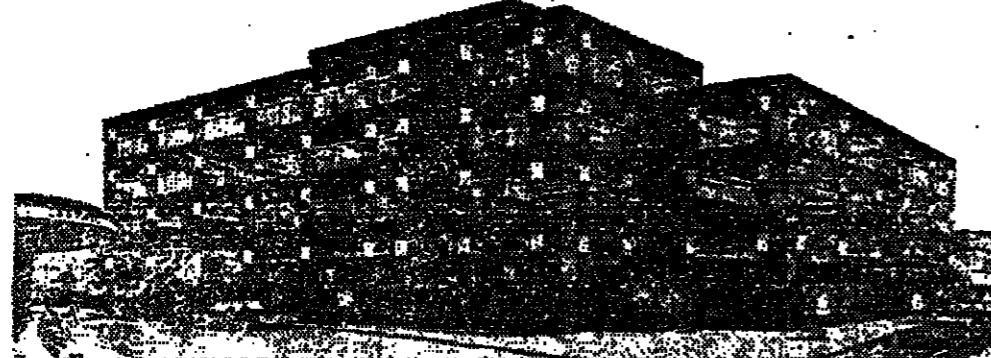
Joint Letting Agents

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Green & Smith  
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GEERING &amp; COLYER

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A DEVELOPMENT BY BRITISH ANZANI LIMITED



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A PRESTIGE OFFICE BUILDING OF 29670sq.ft. (2759m<sup>2</sup>)

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Canteen, boiler room, etc. 370 sq. ft.

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**8,232 sq.ft.**

Office Accommodation

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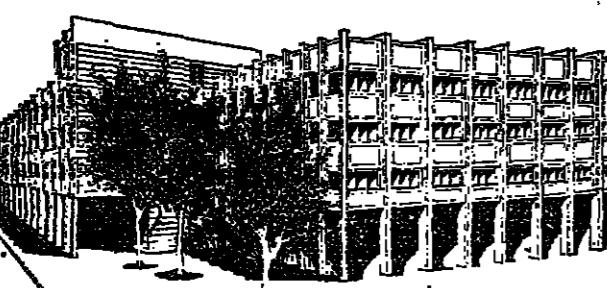
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Two floors only remain to let in this imposing office building.  
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## 8 Cleveland Row St. James's

A superbly restored self-contained Office Building

Occupying one of the most exclusive locations in London, adjacent to St. James's Palace, this building provides approx. 5000sq.ft. net of office accommodation finished to the very highest standard.

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Modern Single Storey

### FACTORY PREMISES

**55,000 sq. ft.**

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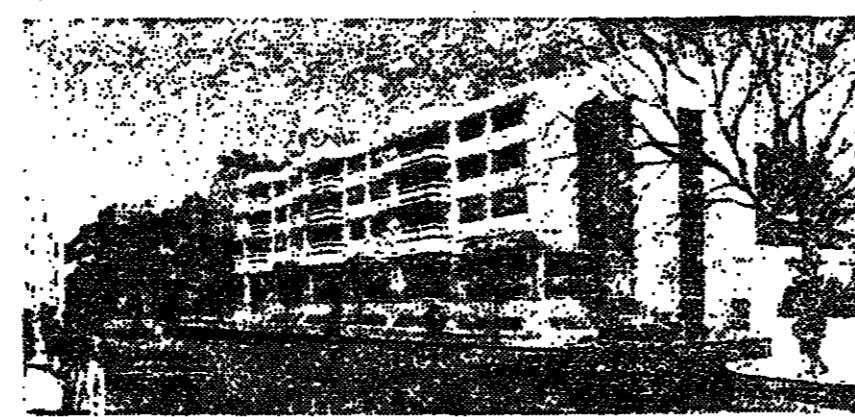
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**20,000 sq. ft.**  
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A new self contained office building Close to the City of London  
3,550 sq ft approx.

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New prestige offices suites from 7,000 sq.ft.

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Proposed Office Development  
**35,000 sq. ft. To Be Let**

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**WALTER & FORKNALL**  
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## King Street EC2

Prime  
City Offices

**14,000 sq. ft.**  
To Be Let

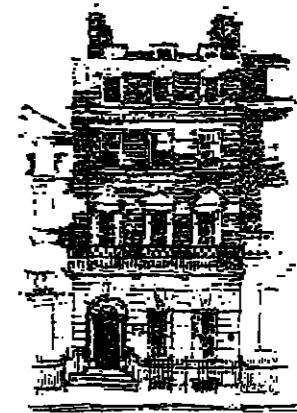
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**WOOTTON**  
Chartered Surveyors  
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Tel: 01-606 4060 Telex: 285557

**Richard Ellis**

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One of London's most elegant Georgian office buildings  
**to let or for sale  
9,335 sq. ft.**

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**11,200 SQ. FT.**

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Telex: 885485

**★ £5.60 PER SQ. FT. for 4470 sq. ft.**

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47 GRAYS INN ROAD, W.C.1  
No Premium. Long Lease.  
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IN PERIOD BUILDING  
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4,430 Sq. Ft.

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EXCELLENT FURNISHED SUITE

1,200 Sq. Ft.

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(Inc. Det. House)

PLANNING PERMISSION FOR DO-IT-YOURSELF CENTRE

12,000 SQ. FT. + PARKING

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22 St. James's Street,  
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## New Campus Style Office Complex

with automatic passenger lifts • central heating • multi-storey car parking

**95,000 sq.ft. approx**

In units of 21,500 sqft, 30,500 sqft and 42,700 sqft approx

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Under  $\frac{1}{4}$  mile underground stations (Northern/Piccadilly lines)

### FOR SALE or TO LET

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**4,300-22,720 sqft**

Rental from only £0.75 p.s.f.  
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Immediately available. To Let

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**£9 per sq. ft. No Premium.  
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Offers on the official form should be addressed in sealed envelope marked "Shopping and Commercial Development, Nutgrove Avenue, Rathfarnham" to the Assistant City Manager, Development Department, Exchange Buildings, Lord Edward Street, Dublin 2, so as to reach him not later than 12.00 noon on Friday 31st October, 1975.

The highest or any offer will not necessarily be accepted.

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4,460 sq. ft.

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7,050 SQ. FT. (654.97m<sup>2</sup>)

Approx. site area



## WALL STREET + OVERSEAS MARKETS

## + FOREIGN EXCHANGES

## Further gain on economic index rise

BY OUR WALL STREET CORRESPONDENT

FURTHER SMALL gains were made on Wall Street to-day, 141 to 159. Golds 11.10 to 417.19, helped by the Commerce Dept's Base Metals 0.78 to 74.65, Western Metal report of a 2.1 per cent. Oils 7.31 to 206.16, Utilities 0.21 to gain in leading U.S. Economic 129.16. Banks 0.67 to 266.93, and Indicators in May, the third componant 0.12 to 110.05. successive monthly increase. How? Calgary Power Preferred. "H" even though it had dropped from 75 to 57, the "G" downward the figure for April to 82 to 57.3 on the marketing of a new issue of 200,000 9.50 per cent. Preferreds.

The Dow Jones Industrial moved up \$1. Average finished 1.41 up at 874.14 and 25 and Hudson's Bay Off and after rising 5.19 to 874.25 and the Gas \$1.00 to 854.1. NYSE's 111 componants moved up another 11 cents to 950.62, majority gain in later trading, while gains led losses by 822 for encouraged by the lower size of 350. Trading volume expanded 2,855. shares to 24,585.

The Assistant Secretary for Economic Affairs said the Government's index figures were further evidence of the developing economic recovery, meanwhile the Commerce Department reported the U.S. Merchandise Trade Surplus expanded sharply last month from April.

The Stock Market was held back however by continued increases in short-term Money Market rates, including rates on Treasury bills and Federal Funds.

Late in the session, the Government reported that Retail Sales fell 0.3 per cent. last week from the previous seven days, the third decline in four weeks.

General Motors' 100 to 94.71, as did Du Pont to 129.5.

Texaco, the most active issue, shed \$1 to 826—a block of 500,000 shares traded at \$26.

On other Oils, Exxon gained \$2 to \$181; but Atlantic Richfield off \$1 to \$101.

Helme Products put on \$2 to 105 on the Board's recommended acceptance of General's Clear offer of \$12.25 for each Comshare. General's last lost \$1 to \$13.2.

H.E. Imperial climbed to \$21 but Combustion Engineering declined \$1 to 355.5 on merger talks.

Varian Associates reacted \$1 to \$15 in active trading.

Merill Lynch gained \$1 to \$174 on forecast of its "best second quarter" on record.

Fleetwood fell \$1 to \$151 and Skiving were down \$1 to \$221.

Federal Company gained \$1 to \$19 on sharply higher fourth-quarter May 31 net.

Eastern Gas and Fuel surrendered \$2 to \$244, despite a three-for-two stock split and an increase in the cash dividend.

The American S.E. Master Value Index was up 0.42 to 92.70, with advances outnumbering declines by 362 to 317.

## OTHER MARKETS

## Canada moves up

All sectors gained ground in moderate trading on Canadian Stock Markets yesterday.

## Indices

## NEW YORK

## DOW JONES AVERAGES

June 26 June 25 June 24 June 23 June 22

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## COLD MARK FARMING AND RAW MATERIALS

## EEC plan to drain wine 'lake'

By Robin Reeves

BRUSSELS, June 26. PROPOSALS ALMED at a meeting between EEC wine production and consumption, thereby ridding the community of its surplus wine 'lake' have been agreed by the European Commission. They will be put before next month's meeting of the Council of Agricultural Ministers.

The proposals include a ban on all new wine plantings until January 1977, or even longer if the Council decides on an extension; replanting of only higher quality, lower yielding, varieties in some areas; a limit of one-third of a degree hectare of vines which can be replanted; an acre of 0.5 of a degree hectare in the minimum alcohol content for all wines and 1 per cent alcohol in table wine; and voluntary, or even compulsory distillation of bad quality wines at the beginning of the season for which growers would be paid 50 per cent of the guild value.

The proposals are unlikely to be greeted enthusiastically by the Council. But Ministers committed themselves to taking action to improve the structural equilibrium in the EEC wine market at the time of the "wine war" in April.

## SETTLEMENT OF TIN DISPUTE FORECAST

By Our Commodities Editor

MUTUALLY agreed settlement between the Tin Council and the buffer stock manager, Mr. Tom Adnan, and his deputy, Mr. Jaime Bueno, is forecast by the Investors Chronicle in its issue out-to-day.

The article says that Mr. Adnan emphatically denies that he is dealing on his own account. The Tin Council is meeting in London this week, and is expected to issue a press communiqué to-day.

## MALAYSIAN PALM OIL OUTPUT UP

KUALA LUMPUR, June 26. Peninsular Malaysia's palm oil output in April rose to 91,169 metric tons, up 10 per cent on March, a Statistics Department said. Palm oil exports rose to 88,710 tons from 82,710 tons (revised) a month ago. Stockpiles at the end of April totalled 114,310 tons (111,483 tons).

## COMMODITY MARKET REPORTS AND PRICES

## BASE METALS

**COPPER**—Higher again on the market. Metal Exchange cash and futures markets with short-term gains prompted by the renewed weakness in the market. Subsequently, the price dropped 2.50c. The market and trading but reduced demand during the period, including some on the U.S. TIN—Firmer, mainly reflecting the

## Big expansion planned in U.K. sugar beet output

By Peter Bullen

WORK HAS begun on a five-year expansion programme to enable the U.K. to produce half—instead of only a third—of its sugar requirements by 1980, the British Sugar Corporation announced yesterday.

BSC is planning to expand all five of its 17 sugar beet processing factories to process the beet from an anticipated 1,000,000 acres. In the next 12 months it will spend £100m and in the four subsequent years "substantially" more on a programme which at current prices will cost between £75m and £100m.

Mr. Kenneth Sinclair said the expansion would save some £50m a year on the country's food import bill. An enlarged and more efficient beet processing industry would also substantially help to keep prices down in future for both housewives and manufacturers.

The investment will be financed from depreciation funds and retained profits and will be subject to alteration each year in the light of developments in

the sugar market and the economy generally. The Government agrees with the BSC's plans which are in line with the expansion in the U.K.'s beet output envisaged in the Government's recent White Paper "Food from our own resources."

In recent years we have not been able to expand at the rate we would have liked. And latterly we have had the wait-and-see period leading up to the referendum. But the "yes" vote for the EEC and the White Paper have given us the go-ahead we wanted for this massive expansion and modernisation programme," said Mr. Sinclair.

The five factories which will be increased in production will be achieved mainly in York and Bury St. Edmunds in Suffolk, Canterbury and Wissington in Norfolk and Newark in Nottinghamshire. Work has already started at York and Newark.

Sugar beet growers will have to expand output to match the expansion in processing facilities but surveys have shown that the present 500,000 acres can be

enlarged to 600,000 and that land is available at economic transport distances from existing factories.

Some farmers will be disappointed however that the BSC has decided against using some of the planned new factories, putting up new factories and opening up new areas of production.

To get growers to expand they will need to be offered a price for their beet that makes the crop profitable in comparison with other arable crops and the BSC is hoping—as are farmers themselves—that an early decision by the EEC to adjust the value of the "Green £" will help in this direction. Even 7% per cent change would give producers an extra £1 a ton.

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## Sharp cut in egg prices

By Our Commodities Staff

EGGS WILL be 3p to 4p a dozen cheaper in the shops next week following another cut in first hand selling prices yesterday.

Large eggs were reduced by 4p a dozen and medium, standard and small by 3p following the 3p a dozen cuts made in the smaller grades last week.

The news of the cuts was described as a "disaster for an already ailing egg industry" by a spokesman for the Goldenray egg marketing consortium.

"Producers will now lose around 10p on every dozen eggs their hens lay and the industry as a whole will be losing around £2m. a week. In actual terms eggs will be cheaper than at any time since 1973 and in real terms, allowing for inflation, cheaper than ever before," he claimed.

The egg industry blames large imports of cheap French eggs on to their market for the steep decline in prices and it is particularly glad that the Government has taken a positive action to prevent the home market being undermined.

The militant U.K. Egg Producers Association sent a telegram to the Prime Minister yesterday saying U.K. producers had lost confidence in Mr. Fred Peart, the Minister of Agriculture, over the French egg issue.

Producers will be rallying at the Royal Show next Monday, which the Prime Minister is opening and they demanded he received a deputation to discuss Government action to remedy the situation.

Speaking to reports after his speech, Mr. Grant described the EEC decision as a setback to the aims of the Food Council.

"This is why I was so sharply critical of the decision."

Informed sources said that, at a meeting of the 36 heads of delegations attending the conference, council president Sayed Marei also hit out sharply at the EEC countries that had blocked the increase.

Mr. Grant said Britain would consider raising its bilateral aid to compensate for the lack of increased multilateral aid.

He announced that Britain had made a grant of £15m. to a scheme by the UN Food and Agriculture Organisation (FAO) to provide fertiliser to poor countries. He said the decision would release at least 100,000 tons of fertiliser on outright grants.

The report said this year's cotton hectarage is preliminarily estimated at 625,000 compared with 837,000 hectares in 1974.

Late spring rains delayed planting and also washed out some already planted fields, necessitating replanting.

## U.K. attacks EEC on food aid

ROME, June 26.

BRITAIN TO-DAY launched a strong attack on fellow members of the European Economic Community (EEC) for failing to increase the Community's food aid line with targets proposed by the world food conference.

Addressing the World Food Council, which is meeting here, joint British delegate, John Grant, accused other EEC countries of "insensitivity to the cry of the children" in developing countries.

The Community's decision means that it will be almost impossible to meet the target

## Rubber cartels warning

ANYTHING IN the nature of a natural rubber producers' cartel aimed at raising prices above reasonable bounds would inevitably be self-defeating, according to Mr. J. K. Barlow, chairman of the Rubber Growers' Association, reports Reuter.

He told the association's annual meeting that consumers have a direct interest in and desire for price stabilisation at levels that will be fair to all concerned, and that it is in the interests of all that agreement should be reached on precisely how this is to be reached.

Synthetic prices are likely to stay at historically high levels, and it is reasonable to suppose an equitable price for natural rubber can be achieved to give the producer a fair return for his labour, he stated.

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## STOCK EXCHANGE REPORT

## Markets unsettled by fresh weakness in sterling

## Share index above the worst but still 9.9 off at 303.8

## ACCOUNT DEALING DATES

First Declarer Last Account Dealings Date Jun 16 Jun 26 Jun 27 Jul 8 Jun 30 Jul 10 Jul 11 Jul 22 July 14 July 24 July 25 Aug. 1993, which ran out the day before yesterday, left falls ranging to 1. The Government Securities index at 58.67, lost 0.27 of the previous three-day rise of 0.78.

With the fresh weakness of sterling imparting firmness to the investment currency market, the premium improved to 99 per cent, bid before coming back to close a point higher at 97 per cent, after a reasonable two-way business. Yesterday's SE conversion factor was 0.5888 (0.5883).

## Banks down again

The big four Banks came under fresh selling pressure yesterday in response to some bearish brokers' circulars and a revival of old rumour that a big "right" issue from one of the four in imminent. Although rising up to 5% above the day's lowest, losses still ranged to 15. Barclays, 268p, Lloyds, 218p, and Midland, 238p, all lost that much, while National Westminster were 14 lower at 216p. Bank of Scotland fell 20p to 207p, a fresh fall of 5% on the day, and the closing index was 9.9 down at 303.8. This made a drop of 61.5 points, nearly 17 per cent, in the last 15 business days.

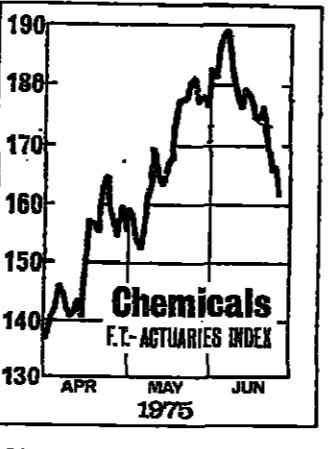
The widespread nature of the setback was illustrated in the 7-2 majority of falls over rises in the FT-quoted Industrials and by the fall of 2.7 per cent to 133.82 in the FT-Actuaries All-share index. Official markings of 6.04 compare with 8.227 on Wednesday and 4.983 a week ago.

## Gilt react

British Funds took a sharp downturn yesterday following a fresh bout of weakness in sterling on foreign exchange markets. Sell-

insurances turned sharply lower on persistent selling. Sun Alliance led the retreat, falling 15 to 35p, with "Royals" losing 14 to 230p. Guardian Royal Exchange gave up 10 to 180p as did Pearl to 178p. Commercial Union declined 9 to 149p.

Burnwood moved against the old trend in Breweries, rising 5 to 175p, "hikes" of 5p following good trading figures. Allied Biscuits receded 14 to 63p and Arthur Guinness eased 3 to 110p. Elsewhere, Distillers were sold



ICL, still reflecting concern about its workers' current pay negotiations, retreated 7 to 238p. Fisons finished 8 off at 375p despite the chairman's profits forecast.

ATV "A" closed a penny easier at 40p following preliminary figures in line with general market expectations.

Losses in leading Electricals ranged to 5 with EMI and GEC both that much down at 171p and 117p respectively; the latter's results are due next Thursday. 238p, and John Brown shaded 2 117p. Elsewhere, Wednesday's results were 14p and John Brown's 14p, the loss irregular. Cohen lost 7 to 138p, and Anderson Strathclyde gave up 6 months' figures. Thorn "A" to 130p, while Spirax Sarco

came back 4 to 156p and Decca declined 5 to 113p. Baker Perkins, "A" 7 to 184, while the rise of one of the other firms, firms 3 to 28p, was 17 to 215p. Lamps owed more to dollar premium influences than to buying interest. Still on the stock to replace the old long spending Taylor Woodrow declined 12 to 238p, while losses of around 7 were sustained by Associated Cement, 134p, R. Corrigan, 186p, and Tarmac, 122p. Blundell-Perrymore finished 4 off at 40p on the first half profits setback. Trading news also failed to help Cobham, which finished a penny easier at 20p.

Crostrand, 3 down at 11p.

Renewed price control fears undermined Foods, which closed with widespread losses. Tate and Lyle declined 9 to 234p, while Sun Alliance receded 6 to 338p and Cavehams came back 7 to 114p. Cadbury Schweppes, at 441p, gave up the previous day's rise of 3, while falls of around 5 were sustained by Danish Bacon "A" 30p, and F. J. Walls, 30p, Manbure and Debenham, 122p. Among secondary issues, Thomas Marshall Investments receded 4 to 40p on the preliminary figures. Mothercare were lowered 8 to 182p, while Martin The Newsagent were 4 easier at 104p and W. H. Smith "A" 10 cheaper at 350p. Among smaller-priced issues, Queen Street Warehouses closed a penny off at 100p, and the 14th and 16th of London, 4 down to 148p, provided the only movement of note in Mail Orders. Footwear Investments were notably dull in Shoes at 25p, down 4, but Stead and Simpson "A" managed to close without alteration at 34p despite the reduced earnings.

Engineering leaders contributed to the general malaise as a fresh bout of selling took Hawker Siddeley down 10 to 250p, after 200p, while Baecham, 267p, and Sun Mills, 236p, recorded falls of 8 apiece. The former followed the previous day's loss of 5 on the "rights" offer, now with a fresh fall of 6 to 144p. Unilever receded 6 to 366p and Marks & Spencer, 269p, followed by 256p, and Estates Property Investors, 205p, both 4 lower. Property Holding and Investment Trust were quoted as "rights" at 202p, down 3, to 199p, which closed at 12 premium.

The OI leaders contributed to the general malaise as a fresh bout of selling took Hawker Siddeley down 10 to 250p, after 200p, and left GKN 7 lower at 225p, after 222p. Tube Investments declined 4 to 240p, and John Brown shaded 2 117p. Elsewhere, Wednesday's results were 14p and John Brown's 14p, the loss irregular. Cohen lost 7 to 138p, and Anderson Strathclyde gave up 6 months' figures. Thorn "A" to 130p, while Spirax Sarco

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The OI leaders encountered a fair amount of selling, but managed to close a little above the day's worst. British Petroleum finished 6 down to 507p, after 505p, and Shell Transport 5 at 503p, after 501p. Both closed 4p lower. The encouraging half-time statement, Brook Street Bureau, 30p, and Relyon PWBS, 46p, shed 4 apiece. However, Safe Tinney improved 5 to 72p and Unerman 4 to 29p, while Avon Rubber rallied 2 to 34p.

Motorists steadied at the lower levels after a mid-morning lull. Danes Industries ended 1 down at 37p and Rolls-Royce eased 2 at 37p. Elsewhere, traders generally displayed an easier bias, but Harrison and Crossfield improved 23 to 35p. Among secondary issues, Distillers and Wines 23p, and South African Distilleries and Wines 25 to 34p. Motorists closed 1 to 368p in light of reasonable interim results.

Associated Newspapers, featuring a fall of 7 to 309p, the premium figures are expected to buy out the 13.5 per cent. R. Elliott and Daily Mail and General Trust hardened 14 to 48p following the record preliminary profits, while Dorman, "A" 10, put 10 shares, while Thomson Organisation, 180p, lost 10 shares, while Weyburn found support at 215p, up 3. Relieved that the nationalisation bill has been pushed out up 3. Belvoirthorpe "A" 11 off at 234p, and British Post 4 cheaper at 30p. Among Paper-Packaging, Hindson Print, lost 5 more at 35p, while DRG were 3 dull spots included R. and A. G. Crostrand, 3 down at 11p.

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A fresh bout of small selling caused a reaction of 5 to 115p in Courtairds, while further consideration of the passing of the final dividend and trading loss left British Cotton and Wool Divers 15 at 13p. Lower half-year earnings prompted a penny reaction to 8p, on take-over talk, closed 2 firmer at 8p, after 9p, following an active business. Subsidiary bid at 10p, which appeared for 4th time, 10p, to 11p. Bats came under selling pressure, and lost 9 to 30p in Tobacco, whose humps rallied from early softness to close unaltered at 30p, after 30p.

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## AUTHORISED UNIT TRUSTS

STOCK IND

# **INSURANCE, PROPERTY, BONDS**

## REGIONAL MARKETS

Following the merger last year of U.K. stock exchanges, a selection of the shares previously shown under regional headings is presented below with quotations in London, Irish issues, most of which are not officially listed in London, are given separately and with prices as on the Irish exchange.

FOOD PRICE MOVEMENTS			
	June 26	Week ago	Month ago
	£	£	£
<b>BACON</b>			
Danish A.1 per tonn .....	820	820	820
British A.1 per tonn .....	815	815	815
Irish Special per tonn .....	815	815	815
Polish A.1 per tonn .....	—	—	—
Ulster A.1 per tonn .....	815	—	815
<b>BUTTER (packer)</b>			
NZ per 28 lbst .....	—	—	—
English per cwt <sup>†</sup> .....	41.14-41.16	41.14-41.16	40.72-41.16
Danish salted per cwt <sup>†</sup> .....	42.10-42.50	42.10-42.30	42.10-42.50
<b>CHEESE<sup>‡</sup></b>			
English cheddar white rindless 40-lb per cwt .....	43.15	—	43.15
NZ per 20 kilos .....	15.61	15.61	15.61
<b>EGGS<sup>‡</sup></b>			
Home-prod. Standard .....	1.70- 2.00	2.00- 2.30	—
Large .....	2.85- 3.00	2.90- 3.00	—
<b>BEEF</b>			
Scotch killed sides ex KNCF .....	34.0-37.0	34.0-37.0	35.0-37.5
Eire forequarters .....	26.0-23.0	26.0-23.5	24.0-25.0
Argentine chilled rumps .....	—	—	—
<b>LAMB</b>			
English .....	32.0-36.0	32.0-36.0	40.0-42.0
NZ 2s-Ds .....	30.5-31.0	30.0-31.0	30.0-31.0
<b>PORK (all weights)</b>			
24.0-32.0	28.0-33.0	24.0-35.0	
<b>MUTTON</b>			
English ewes .....	12.0-13.0	12.0-13.0	12.0-13.0
<b>POULTRY</b>			
Broiler chickens .....	25.0-26.5	24.0-26.0	25.0-26.0

\* London Egg Exchange price per 120 eggs. <sup>†</sup> Delivered. <sup>‡</sup> London

## FOOD PRICE MOVEMENTS

FOOD PRICE MOVEMENTS			
	June 26	Week ago	Month ago
	£	£	£
<b>BACON</b>			
Danish A1 per ton	820	820	820
British A1 per ton <sup>†</sup>	815	815	815
Irish Special per ton <sup>†</sup>	815	815	815
Polish A1 per ton <sup>†</sup>	—	—	—
Ulster A1 per ton <sup>†</sup>	815	—	815
<b>BUTTER (purer)</b>			
NZ per 28 lbst	—	—	—
English per cwt <sup>†</sup>	41.14-41.16	41.14-41.16	40.72-41.16
Danish salted per cwt <sup>†</sup>	42.10-42.50	42.10-42.30	42.10-42.50
<b>CHEESE<sup>‡</sup></b>			
English cheddar white			
rindless 40-lb per cwt	43.15	—	43.15
NZ per 20 kilos	15.61	15.61	15.61
<b>EGGS*</b>			
Home-prod. Standard	1.70- 2.00	2.00- 2.30	—
Large	2.85- 3.00	2.90- 3.00	—
	June 26	Week ago	Month ago
	per pound	per pound	per pound
	p	p	p
<b>BEEF</b>			
Scotch killed sides ex			
KFC	34.0-37.0	34.0-37.0	35.0-37.5
Eire forequarters	20.0-23.0	20.0-23.5	24.0-25.0
Argentine chilled rumps	—	—	—
<b>LAMB</b>			
English	32.0-36.0	32.0-36.0	40.0-45.0
NZ 2s-Ds	30.5-31.0	30.0-31.0	30.0-31.0
<b>PORK (all weights)</b>			
—	34.0-32.0	28.0-33.0	24.0-35.0
<b>MUTTON</b>			
English ewes	12.0-13.0	12.0-13.0	12.0-13.0
<b>POULTRY</b>			
Broiler chickens	23.0-26.5	24.0-26.0	25.0-26.0

## OFFSHORE AND OVERSEAS FUNDS

Bond bearers are hereby informed that the expiring coupon will be payable as from July 1, 1975 at the following bank:

BANQUE GUTZWILLER, KURZ, BUNGENER SA

—GENEVA; BANCA DEL GOTTARDO—LUGANO;  
BANQUE LAMBERT LUXEMBOURG; BANCA

BANQUE LAMBERT—LUXEMBOURG; BANCA  
PREALPINA—LUGANO.

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High	Low	Stock	Price	+ or -	Wk.	Div.	Cv.	Gr.	PE	1975	High	Low	Stock	Price	+ or -	Wk.	Div.	Cv.	Gr.	PE	1975	High	Low	Stock	Price	+ or -	Wk.	Div.	Cv.	Gr.	PE	1975	High	Low							
38	28	Johns & J. E. S. P.	34	-	1	0.17	3.1	6.0	5.0	26	15	12	Winter Thomas	29	-	1	0.15	2.5	2.0	6.3	24	15	12	Godfrey Prop. S.	152	-	8.7	-	4.3	2.0	152	130	-	14.3	11.1	4.2	34.4	11.1	1975	High	Low
43	28	Johnson Chars.	32	-	2	0.7	1.0	10.9	9.0	105	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Do. Capital S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
345	345	Johnson Mat. E. I.	270	-	5	102	2.1	2.1	2.1	12	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
44	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
45	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
46	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
47	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
48	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
49	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
50	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
51	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
52	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
53	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
54	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
55	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
56	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
57	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
58	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
59	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
60	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
61	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.1	2.1	22	47	47	Gr. Purified S.	152	-	2	0.4	2.4	2.0	6.3	24	15	12	Am. Ind. Inv. S.	130	-	9.3	-	1.9	1.9	1.9	130	-	14.3	11.1	5.8	37.3	11.1	1975	High	Low
62	34	Johnson Mat. E. I.	145	-	2	1.2	2.1	2.																																	

